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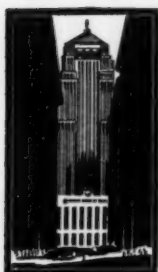


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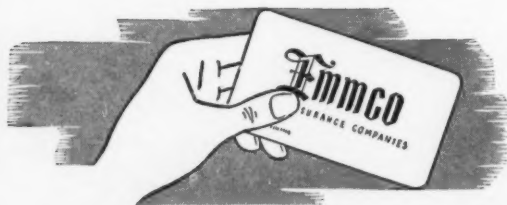
N. U. 10-42

SERVICE HEADQUARTERS FOR ALERT AGENTS

THURSDAY, OCTOBER 15, 1942



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INTO A HUDDLE
TOO!**



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The NATIONAL UNDERWRITER

Forty-sixth Year—No. 42

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, OCTOBER 15, 1942

\$4.00 Year, 20 Cents a Copy

Wage Control Law's Effect on Insurance Eyed

May Freeze Commission Rate; Other Phases Are of Concern

There is much concern in the business over the effect on insurance of the President's executive order Oct. 3, "providing for the stabilization of the national economy." The order followed passage by Congress of the wage-price control bill designed to curb inflation.

A number of important questions immediately presented themselves to the insurance people. The language of the President's executive order itself threw light on some of these. Others will have to wait for interpretation.

Regulations making the President's order effective are scheduled to be issued this week.

Rate of Commissions

The question of commissions came up at the American Life Convention in Chicago last week. Wayne L. Morse, public member of the National War Labor Board and dean of the University of Oregon law school, in reply to a query put to him said that under the terms of the bill and the executive order the rate of insurance commission cannot be raised without the permission of the labor board. This would have wide effect throughout the insurance business. However, the interpretation on this point when it is officially made may not be so restrictive.

The order itself makes a clear distinction between wages and salary, a point that was of concern to insurance people. In title VI, section 2, it states: "Salary" as used in this order means remuneration for personal services regularly paid on a weekly, monthly or annual basis." This qualifies practically all remuneration paid by insurance offices as "salaries." However, a few persons in the insurance business are paid on a "wage" basis; that is, by the hour or day. Some adjusting and field work is paid in this way.

It has already been made clear, however, that blanket increases to groups of employees will require approval from the Office of Economic Stabilization.

Less Restriction on Salaries

Under the new order no increase or decrease in "wage rate" can be authorized unless the War Labor Board has been notified of the change and has approved it, but the control on "salaries" does not seem to be so restricted. Title II, section 5 states that no increase in salaries now in excess of \$5,000 a year (except in instances in which the individual has been assigned to more difficult or responsible work) shall be granted until otherwise determined by the director (the office of economic director).

(CONTINUED ON LAST PAGE)

Mark Time in Atlanta Case

ATLANTA—So far as visible signs go, nothing is happening in the fire insurance probe here. The federal grand jury held no session on Tuesday. Monday was Columbus day, but that apparently was not the reason no session was held on Monday, as Judge Underwood held court. No sessions have been held since the federal grand jury completed its routine grist on Thursday. Frank H. Elmore, Jr., and Robert J. Hyder, in charge of the probe, who were busy interviewing possible witnesses last week are now busy waiting.

Just what they are waiting for, in view of previous assertions that the presentation of witnesses would not be interfered with by the delay until Nov. 2 for association officers and records is unknown. The record still shows no new subpoenas.

List of the Grand Jurors

Fred Hazelriggs, manager of the Decatur store of F. H. Cooleedge & Son, Atlanta paint manufacturers, was designated as foreman of the Atlanta grand jury by Judge Underwood. Other members of the jury are: John H. McCrary, vice-president of J. B. McCrary Company, engineers, and a director of the Atlanta Reserve Bank; Paul L. Gleason, auto salesman; James M. Williams, J. M. High department store, all of Decatur; Virgil D. Baker, watchman, East Point; James M. Wilson, Whitsburg; William C. Johnson, Redan; Wightman L. Crout, financial engineer, College Park; Thomas Rawlings and Sidney M. Wilson, Stone Mountain; Edwin P. Locheridge, vice-president Lipscomb-Ellis Co.; Arthur Clark, Harry I. Malsby, manufacturers agent; Elyea D. Carswell, Atlanta Gas Light Co. executive; William F. Rice, Jr., credit manager Woffard Oil Co.; S. Calhoun Noland and William F. Paschal, Negro pastor, all of Atlanta, and James M. Moore of Bolton.

Insurance Man on Jury

One member of the jury probably will not act in connection with the insurance probe. This is Edwin P. Locheridge, vice-president of Lipscomb-Ellis Co., an insurance and real estate agency, headed by R. P. Ellis, president of the Georgia Association of Insurance Agents. By an odd coincidence Mr. Ellis is currently foreman of the Fulton county grand jury. Mr. Locheridge can be excused by the foreman. The jury, which consists of 23 members, can function with as few as 16 in attendance and may indict with only 13 votes, provided the minimum of 16 are present.

The first day's record showed only one slight reference to the insurance investigation. This occurred in the charge to the grand jury read by Judge Underwood. A two-sentence quotation from the Sherman anti-trust act was included with numerous other federal laws which were mentioned.

J. W. Russell, Aetna Fire N. Y. City Manager, Retires

NEW YORK—After more than 50 years with Aetna Fire, Joseph W. Russell has retired as vice-president and manager of the New York City department, which post he held since 1931. He

See Much Virtue in the New Board

Necessary to Elect Outstanding Men Who Will Serve Some Time

Many leaders in the National Association of Insurance Agents will watch with keen interest the working of the new national board of directors consisting of one director from each state and one from the District of Columbia, 49 in all. This might seem to be an unwieldy body but it gives the states a direct voice in the organization.

Some commentators declare that this board will be futile and defeat its own end if it is used merely to honor someone in the state, for instance, a retiring president. These men say that each state should elect its foremost man, one with the greatest influence and vision, and he should serve at least three years. A one-year term will only enable a man to get his bearings. A one-year term man will be of little value to the organization. In fact a number of astute agents say that a man should be kept on the board for five years if he is found to be a resourceful and helpful director. After a man has oriented himself and gotten into the organization machinery, if he is sincere and conscientious about his work he can be of real force in his office.

National Councillor System

The national councillor system became almost a farce in many states because the retiring president was elected to that office and then when a new president was elected he took the place. The national board of directors opens the way for constituting a body of agency talent throughout the country that will be unsurpassed. If, however, a man's term is limited to a year or if the office is simply used to honor someone and not take into consideration his qualifications the project will fail.

The associations that have already elected their state directors have shown excellent judgment in the men they have put in office. If that same spirit prevails in all the states the board will be strongly manned.

started with Aetna as a youth of 16 and after a number of years at the home office was appointed special agent in Texas and later traveled New England for a year as home office special agent.

He came to this city as resident attorney in 1914, shortly thereafter becoming a member of the agency firm of Russell, Scott & Ziegler, later changed to Russell & Ziegler, remaining there until 11 years ago, when the agency connection was replaced by the department office with Mr. Russell as its head. He had served as president of both the New York Fire Insurance Exchange and Insurance Society of New York.

With his retirement, the management of the New York office will be in the hands of Ashby E. Bladen and Harold J. Kiefer, secretaries of the associated companies. Mr. Bladen as casualty underwriter joined Century Indemnity in 1926, while Mr. Kiefer's connection with Aetna Fire dates from 1916. He has had broad experience both in office and field.

Western Bureau Returns to Place of Its Nativity

Its Organization Meeting Was Held in Chicago in 1910

The Western Insurance Bureau held its semi-annual meeting in Chicago this week, this being the first time that it had assembled in the city of its birth and where its official headquarters are located since the early years when it was organized. It seemed desirable owing to the presence of so many members in the east to meet at a half way point or some eastern location more convenient to the majority of the members. Owing to war conditions the directors felt that it was desirable and wise to have a meeting in Chicago and hence the Lake Shore Club was selected as the place of meeting.

The Western Sprinkled Risk Association held its meeting at the same place.

Committee Reports

E. E. Soenke, Security of Davenport, reported for the uniform forms committee calling attention to some of the changes made since the last meeting. R. S. Danforth, Millers National, gave a report for the field club committee. W. S. Whitford, Millers National, treasurer, gave his report as did Secretary Fred C. Schad.

The dinner that is usually given in connection with the Western Insurance Bureau meeting was held Wednesday evening. President Clark was in charge but the speeches were few and far between.

The Western Insurance Bureau was organized in Chicago, the first meeting being held at the old Grand Pacific Hotel, April 3, 1910. E. G. Halle, Germania, acted as chairman.

Gund is Still at Helm

Of the founders Fred M. Gund of Freeport, western manager of Crum & Forster, is the only one active in the stock insurance line although A. D. Baker, who was present at the second meeting, is still an official of the Michigan Millers Mutual. He was president of the Michigan Commercial when the Bureau was organized. The second meeting was held June 2, 1910, in the western department office of the Germania. Of the founding fathers there still survive Neal Bassett, who was western manager of Firemen's; Mr. Gund, H. W. Letton, who was United States manager of the Prussian National; Mr. Baker, E. K. Crawford at the western office of the Security of New Haven.

Mr. Clark was elected president in 1926 and served two years. In 1935 he was again elected president and has

(CONTINUED ON PAGE 10)

Ill. Field Men Hold Parley

Clarify Points Pertaining to Handling Business of Agents in Uniform

Several points in connection with the continuation of business of local agents that don uniform were clarified in a discussion that took place at the quarterly meeting of the Illinois Fire Underwriters Association in Chicago, Tuesday morning. This subject provoked much discussion as there were several matters of exact procedure upon which the members desired to be enlightened.

The speaker of the day was E. B. Moran of Chicago, manager of the central division of the National Association of Credit Men. Although several members had previously heard the talk that he has given before numerous groups of insurance people, he held his audience closely and the members were obviously impressed with the fact that much could be accomplished in the way of improving the insurance setup of many business firms by cooperating with the credit managers in the program to cause adequate insurance to be required of a customer when credit is extended to him. Walter B. Tobias of Peoria, special agent of Hartford Fire, president, conducted the meeting.

Position of Ill. Department

On the matter of continuing the business of absentee agents, Mr. Tobias read correspondence with the insurance department. Last March the Illinois department issued a statement as to its attitude on the licensing of persons to handle the business of absentee agents and Mr. Tobias just recently wrote to the department, setting forth his understanding of that statement and asking for confirmation. It was made clear that the business of an absentee agent may be handled by another licensed agent or broker with a power of attorney from the absentee and the substitute is not required to be licensed for the insurance companies that were represented by the absentee.

If the appointee is a person who has not been licensed, it is necessary for him to be licensed as an agent or broker, pass the examination and pay the fee. However, the appointee may be licensed as a solicitor and carry on the business, without taking the examination provided he or she is a bona fide full time solicitor. The insurance department in its reply to Mr. Tobias, stated that it was eager to facilitate such arrangements and if difficulties arise, the department, in the qualifying of solicitors will give special consideration to such cases on their individual merits.

Wives Can Be Licensed

Some of those entering the discussion expressed the belief that there would be no difficulty encountered by the wife of an absent agent qualifying as a solicitor even though because of household duties, it is not possible for her to engage full time in the insurance business. It was brought out that the power of attorney that is executed must be filed with the insurance department but that this particular copy does not have to be signed by an insurance company. Mr. Tobias said that a standard procedure would be for the power of attorney to be prepared in duplicate, one copy to be sent to the insurance department and the other to be turned over to one of the insurance companies in the agency for its approval. That company in turn could show the power of attorney to the other companies in the agency.

The Illinois Fire Underwriters Association some time ago drew a sample power of attorney but it was emphasized that this was a suggestion only and is not required in any way.

The insurance department stated that
(CONTINUED ON PAGE 15)

Life Members Group Holds Annual Reunion

Nearly 100 attended the annual dinner of the Life Members Society of the Fire

Underwriters Association of the Northwest in Chicago, Tuesday. This is always an occasion of much sentiment, and it brings forth reminiscences of the past and provides a most sociable period for a group that is bound by many common experiences over a long period. J. H. Macfarlane, secretary of the America Fore in the west, presided with much spirit.

Melvin LePitre, assistant western manager of Fire Association, was elected as the new president; E. L. Rickards,



Melvin LePitre



J. H. MACFARLANE

branch secretary National Automobile Underwriters Association, first vice-president; D. O. Stine of Reedsburg, Wis., retired field man for St. Paul F. & M., second vice-president; M. C. Rathbun, formerly for many years with Liverpool, now a local agent at Lincoln, Neb., third vice-president; W. J. Sonnen, retired Chicago manager of St. Paul F. & M., secretary; Ralph Woltersdorff, retired assistant western manager Atlas, treasurer.

There was a brief session at which officers were elected of the Northwest Association itself. Royal Buckman of Royal-Liverpool continues as president;

WDC Cover Revision Adjusters Debate Work Exceeds That Issues at Chicago

NEW YORK—Though the writing new WDC applications has fallen off to perhaps 10 percent of what it was at its peak, a great deal of revising of existing coverage is being done. The volume of these changes is disproportionately high right now because of the recent issuance of so much business. For every new application currently being written there are probably about two policies requiring changes.

Of the various types of changes, the most time is consumed in those involving decreases and additions to the coverage, as these necessitate money calculations. Other types of frequent revisions are changes in the name of the insured, as in case of property being sold, change in addresses and change in the loss payee to cover a mortgagee's interest, as when one institution buys a mortgage from another or when there is a refinancing of a mortgage due to one institutional investor raiding another's portfolio because of the scarcity of new mortgage loans.

Revisions due to errors on the part of the insured or the agent are far fewer than formerly. Many insured made errors in giving the name of their mortgagee. They gave as mortgagee the servicing office instead of the actual holder of the mortgage.

W. J. Tippery, Aetna Fire, vice-president; Carl Ingram, Great American, secretary. The executive committee consists of W. K. Maxwell, Hanover; Mr. LePitre, W. G. Frazier, Springfield F. & M.; D. J. Harrigan, St. Paul F. & M.; C. W. Ohlsen, Sun; F. L. Britton, Corroon & Reynolds, Topeka; George S. Valentine, Ohio Farmers, LeRoy, O.; Homer Burlingame, Western Adjuster, and H. T. Cartledge, Royal-Liverpool, New York.

J. A. McClelland, general adjuster for Great American, as head of the program committee, had arranged for the showing of colored movies of Yellowstone Park and this proved to be a very popular feature.

Among those from out of the city attending were B. E. Lewis of Milwaukee; R. L. Nicholson, Michigan Fire & Marine, Milwaukee; P. J. Moriarty and W. T. Benallack, Detroit; H. J. Girard, Milwaukee; A. A. Maloney, Santa Monica, Cal.; J. H. Harrison, Louisville; J. P. Swigert, Decatur; Paul Rudd, Milwaukee; S. E. Moisant, Kankakee, Ill.; H. M. Callahan, Springfield, Ill.; Walter Wolf, Rockford, Ill.; D. D. Fitzgerald, Indianapolis; H. A. Elkin, Springfield; F. J. Goldthorpe, Milwaukee; J. P. Coen, Olney, Ill.; A. J. Harmon, Springfield; B. Hagen, Minneapolis; Elmer H. Warner, Des Moines, and H. M. Carmichael, Omena, Mich.

Independents May Not Hold 1943 Annual Meeting Due to War

Shortage of manpower, and also of rubber and gasoline due to rationing, and the need for careful planning and streaming of adjusting operations in order best to serve the companies and conserve rubber, were vital subjects discussed at the midyear executive committee meeting of National Association Independent Insurance Adjusters held for two days in Chicago.

President James N. Curley, Philadelphia, presided. Other officers present were N. J. Tierney, Chicago, executive vice-president; Lynn A. Horton, Oklahoma City, executive secretary-treasurer; W. H. Moore, Wichita, Kansas, vice-president in charge of fire; L. M. Kizer, Waco, Tex., vice-president in charge of casualty; T. J. English, St. Louis, vice-president in charge of miscellaneous lines. A. M. Foley, South Bend, served as proxy for C. B. Lyle, Phoenix, Ariz., who was unable to attend, and C. A. Moore, Springfield, Ill., for E. H. Bockius, San Francisco.

Committee Chairmen Report

Committee chairmen who reported were: Ross B. Whitney, Chicago, membership; Ray Biggs, Tulsa, uniform fire forms; A. M. Foley, ethics and grievance; Robert Denton, Fort Wayne, legislative.

An executive session was held the second day. Ways and means of servicing claims and losses were discussed following a report on conditions under gas rationing in the east, as given by J. N. Curley and J. C. Ryan. Reduction of values of claims and losses was considered. Attention also is being given to the opportunities that may develop for members to assist each other in the event of a major catastrophe and to be alert to protect property in the emergency.

Membership Is Growing

Ross Whitney was in charge of arrangements and reported on plans for securing of new members. The desirability of independent adjusters associating themselves together as a means of better serving companies and the government was brought out in the discussion. Progress in securing new members was satisfactory. Applications of Wm. E. Bishop & Co., Birmingham, Ala.; H. T. McCabe Adjustment Bureau, Rockford, Ill.; J. Ed Morneau, Texarkana; Harvey W. Nichols, Boise, Ida.; Southern New England Adjustment Bureau, Hartford, and Neil E. Wood, St. Louis, Mo., for membership were approved.

Ray Biggs reported definite progress was being made on adoption of uniform fire forms. These forms are undergoing extensive study by the committee.

The executive committee was found favorable to full cooperation with the government in its policy of not holding unnecessary conventions, and it was the consensus that conditions will not permit holding the 1943 convention. However, definite action was postponed and decision probably will be made by the executive committee when it meets next January or February. The annual meeting usually is in June.

A resolution of good wishes to members in service was passed and a service flag will be maintained in the office of the secretary, with a star for each member who enters service.

The Beezley-Webb-Outland agency of Wichita has moved from the Schweiter building, to new ground floor location at 203 South Main street.

THIS WEEK IN INSURANCE

Insurance people study effect of wage control law on the business. **Page 1**

Western Insurance Bureau holds its semi-annual meeting in Chicago. **Page 1**

Leaders in the National Association of Insurance Agents are interested in the complexion of the new national board of directors. **Page 1**

National Association Independent Insurance Adjusters holds executive committee meeting in Chicago; may defer 1943 annual gathering. **Page 2**

Annual meeting of National Association of Mutual Insurance Agents is held in New York. **Page 3**

Illinois Fire Underwriters Association holds quarterly meeting in Chicago. **Page 2**

Melvin LePitre of Chicago, assistant western manager Fire Association, was elected president of the Life Members Society of the Northwest Association this week. **Page 2**

Kansas Association of Insurance Agents holds successful annual convention in Wichita. **Page 17**

All officers of the Rhode Island Association of Insurance Agents were re-elected at meeting at Providence. **Page 3**

American Automobile introduces comprehensive automobile and personal liability contract that contains numerous innovations. **Page 23**

Non-cancellable income coverage benefits reduced in 1936 are restored in part by Pacific Mutual Life. **Page 23**

War boosts sales of excess coverage to compensation self-insurers. **Page 25**

Employers indemnity sales jump because of demand from flying schools. **Page 24**

Fear overcrowding of buses may boost liability claims. **Page 25**

Important role of group hospitalization brought out by C. B. Macdonell of Zurich. **Page 25**

In a case pending in Massachusetts the right of a policyholder to recover pro rata share of surplus of mutual company is at issue. **Page 23**

Program announced for the annual meeting of the New Hampshire Association of Insurance Agents. **Page 36**

Prepare for Mobilization Day, Agents Advised

L. H. Jones Cites Possibility of Two-thirds of Producers Being Called

NEW YORK—A realistic appraisal of the adjustments that the insurance agents and companies may have to make when complete mobilization of manpower is introduced in this country was given by L. H. Jones, vice-president of Lumbermen's Mutual of Mansfield, O., in addressing the convention of the National Association of Mutual Insurance Agents here. It was a most constructive presentation since the speaker throughout made positive recommendations rather than merely outlining the problem.

Insofar as the companies are concerned, they must look forward to the day when their field men in even greater numbers will be taken away and put in uniform or war work. If the companies become sufficiently hard pressed for men it may become necessary for mutual fire companies, for instance, to operate with joint special agents. As an example, he said, Lumbermen's Mutual would be glad to have Mill Owners handle its business in Iowa and Lumbermen's Mutual would be glad to handle Mill Owners' business in some other territory. A similar plan might be worked out in Indiana with Indiana Lumbermen's. Such an idea may appear radical at this time, he said, but worse things have happened to other industries. If such a pooling of special agents were resorted to, at least the companies could get their risks inspected, premiums collected, no company would have any advantage over any other and the agent would get all the service that he needs but perhaps not all that he wants. Lumbermen's Mutual, he said, is willing to cooperate to the limit with agents and other companies. If an agent is called to service, the company will help out by writing his policies for as long as the need exists or as long as there is personnel to do it.

Two Classes of Agents

Mr. Jones said that agents today can be divided into two classes, those who will be called upon to leave their business temporarily to serve their country and those who will remain to serve their community. The Underwriters Handbook of Ohio lists 71 local agents in Mansfield which is a city of 37,000. Perhaps one-third of this number could serve the needs of this town. He said he was referring to actual needs which doesn't include one agent spending time trying to get business away from another. He said that perhaps two out of three local agents would be taken. The war man-power commission has been created to see to it that everyone who can be spared shall contribute something toward the war effort.

The agent who is likely to be called upon to leave his business has three alternatives. He can sell the business, which is all right if he doesn't expect to reenter it after the war; he can turn his business over to another agent for the duration on a commission or cost plus basis or he can turn the business over to his wife or girl in the office to run it for him until he comes back. Most agents, he said, will want to keep their business to and for themselves. If the business is sold or turned over to another agent to service there is no particular problem involved but if the agent

(CONTINUED ON PAGE 10)

Mutual Agents Hold Annual Parley in N. Y.

NEW YORK—The National Association of Mutual Insurance Agents is a growing organization composed of enthusiastic members working for the best interests of mutual insurance. B. F. Thompson, New Haven, Conn., president, declared in opening the annual meeting of the association which was devoted to problems arising from the war. The organization's four objectives the past year: Greater service to members, increase in membership, obtaining greater revenue, and getting better publicity were achieved, he stated. The year was one of increasing prestige and recognition for the association, it having participated with other insurance organizations in assisting the government to set up the War Damage Corporation and in setting up the educational program of the American Institute of Property & Liability Underwriters.

A number of events of major importance occurred during the year, these being the reduction of dividends by many mutual companies, elimination of the assessment feature in many New England company policies, proposed increased taxation of mutual companies, and the investigation of the fire business by the federal government. Mr. Thompson said that he personally felt a great need for the setting up of an organization by the agency mutuals to give engineering service similar to that given stock insurance by the Factory Association, making its services available to mutual agents.

Prevention Activities

Fire and accident prevention activities are of greater importance to the nation than ever before. He urged agents to take part in these activities. Mr. Thompson said that the meeting was possibly the last large one for the duration, but that with an increase of 429 during the year in membership, which now stood at 1,026, the organization is in an excellent condition to carry on.

Trade associations have been under constant challenge and their position subject to continual attacks. The public and policyholders do not understand the work of agents and their fire and accident prevention activities. Mr. Thompson urging that they should strive collectively to promote a better understanding on the part of the public. Mr. Thompson is a lieutenant commander in the Coast Guard reserve, from which he secured leave for a few days to preside at the meeting. His appearance in uniform gave a distinct wartime flavor.

All of the addresses went off according to schedule.

One of the interesting features of the meeting was the open forum conducted by J. E. Magnus, president J. S. Kemper & Co., Chicago, assisted by Chester Jennings, Baltimore, and W. C. Bean, Washington.

The question was asked how can mutual agents handle jumbo lines when the companies wish to reduce their retention on large risks. Mr. Jennings said that the agencies which attempted to be 100 percent mutual agencies would have to become mixed if they could not get the facilities for accommodating jumbo lines. However, speaking from experience with the Improved Risk Mutuals, he suggested that one company can act for the others in reinsuring excess liability and that the capacity of non-member companies be made available on reinsurance. A catastrophe reinsurance contract and a limit for stop loss can be obtained, he said.

Another speaker commented that often agents want a company to take a large line which it may know nothing about on such short notice that it is difficult to make reinsurance arrangements. The companies represented in the agency should come to an agreement on their individual retentions on large lines.

Will the Defense Plant Corporation accept policies of mutual companies? Mr. Jennings said there is no discrimination by the corporation against mutuals, provided they are admitted to the state concerned.

Would it be feasible to have a standard collection procedure in view of the difficulties experienced in collecting premiums because of war conditions? Mr. Bean said that the WDC had required "cash on the barrel head" and that the business should institute a credit system in conformity with other types of businesses, which had done so at the request of the government. Mr. Magnus said his firm had a cut and dried system with notices sent out in the event of non-payment of premiums after intervals of 10 and 20 days with cancellation automatic at the expiration of 30 days.

Position of Banks

Can anything be done because some banks refuse to accept mutual policies on property in which they have an interest, even though the policies may be non-assessable? Mr. Magnus said that in such a case he would go directly to the head of the bank. Usually, the objection comes from a clerk or underling. However, the bank may have its own insurance department.

What should be done to cancel a policy when the premium has not been paid, the insured has been inducted into military service and there is no record of address? An automobile policy may be canceled by sending notice to the last known address of the insured, Mr. Jennings said. Fire companies generally require a registered mail notice with a return receipt. However, if the notice can't be delivered, the question arises whether cancellation would be legal. Mr. Jennings said his suggestion would be to write the company, the agent outlining his predicament, and informing the company that he will not be liable for loss, should one occur. If a soldier's home burns down in these circumstances, it is very likely he'll be paid for his loss, even if the premium has not been paid, courts holding the company liable, Mr. Jennings commented.

Serving Absentee Agent

What compensation should an agent receive for servicing the account of another agent inducted into military service? Mr. Bean said it would be reasonable to debit actual expense incurred from the commissions credited the absentee. Mr. Jennings suggested, "Do unto others as you would have them do unto you."

Mr. Magnus commented the servicing charge should be a matter of agreement between the parties involved.

Mr. Jennings said that he felt leasehold value insurance should be a good sales possibility, but he had been unable to obtain much information on selling it. There was considerable discussion regarding the importance of the agent's function in wartime. Mr. Magnus said he felt the agent would have an important part in putting industry back into production after the war.

Telegrams expressing regret at inability to be present were read by President Thompson from W. B. Adams, president Mutual Fire Insurance Association of New England, and W. C. Taylor, president of the New York Association of Mutual Insurance Agents.

The southern states have the largest number of members of any group in the association, P. L. Baldwin, executive secretary, reported, with 341. The middle Atlantic states have 273; middle west, 199; far west, 155, and New England, 112. Pennsylvania leads in state membership with 108, followed by Ohio, 102; North Carolina, 98; New York, 93.

Mr. Baldwin said that the association

(CONTINUED ON PAGE 14)

Johnson Reelected President of Rhode Island Agents

Much Educational Material Came Out of the Annual Convention

By RALPH E. RICHMAN

PROVIDENCE, R. I.—At the annual meeting of the Rhode Island Association of Insurance Agents all officers who have been serving this year were re-elected. The are Walter R. Johnson, president; Carleton I. Fisher, vice-president; William A. Lester, secretary; Robert S. Preston, treasurer, and Henry E. Davis, national state director, all of Providence.

President Johnson presided at the banquet attended by 170. After introducing the afternoon speakers, state officials and out of-state guests, he called on President Carl R. Woodward of Rhode Island State College, who announced the appointment of Asa S. Knowles, for 11 years on the teaching staff at Northeastern University in Boston, as dean of the college of business administration and director of industrial extension at the college. He will begin his duties at Kingston, Nov. 15. At Northeastern he was dean of the college of business administration and conducted many insurance courses. He will work with representatives of the Rhode Island Association of Insurance Agents in developing insurance courses at the college and over the state. Mr. Knowles was in the family agency, the Knowles Company, Northeast Harbor, Me., before going to Boston. His brother, Jerome H. Knowles, now operates the agency there. Dean Knowles was introduced to the agents.

President North Speaks

President David A. North of the National association complimented the Rhode Island association on the progress it has made in membership and activity in the past few years. He advised agents to follow closely the developments of the Atlanta federal investigation of the fire insurance business. He said that almost every organization in the business was named in the federal investigation plans, including the Rhode Island association and many local boards. Mr. North said both companies and agents' organizations were active in preparations to meet the issues to be aired in Atlanta. He declared that charges of inactivity on the part of companies or agents in the face of the Atlanta investigation were not justified.

Thomas J. Meehan, director of Rhode Island's department of business administration, entertained the crowd. J. Austin Carroll, new insurance commissioner of Rhode Island, said he had served 14 years in the insurance business, many of them with the National Bureau of Casualty & Surety Underwriters. He sees little danger of complete federal regulation of the insurance business if all those in the business cooperate to solve its own problems. He praised the war efforts of the business in safeguarding industry against accidents and fire. His principal theme was that more emphasis must be placed on raising the qualifications of insurance agents. He indicated that 5,211 agency licenses in Rhode Island showed that too many untrained and inefficient men are representing insurance companies in the state. He stated that preparations are under way to correct this by legislation.

(CONTINUED ON PAGE 33)

Marine People Now Breathing Easier: Winter

NEW YORK—Not until just recently have the marine underwriters been able to enjoy any feeling of relief in the marine war risk field since early this year when the U-boat menace became so pronounced, according to Wil-



W. D. WINTER

liam D. Winter, president Atlantic Mutual, who addressed the convention of the National Association of Mutual Insurance Agents here. The underwriters now feel that they have at last gotten the situation under control, although they have not had an opportunity to recoup the losses already incurred. He recalled that last March 31, the War Shipping Administration quoted war risk rates for hulls which were lower than the commercial rates, so that the private business on hulls evaporated.

The commercial underwriters were left with their losses and without an opportunity to recoup them.

In the field of cargo insurance the losses were mounting rapidly. The underwriters were in a better position in this field since they were able to quote rates from day to day to meet the increasing hazards. Nevertheless the losses mounted much more rapidly than the increase in premiums and this situation continued well on through the summer.

Non-Compensatory Rates

The inability to recoup losses is brought about in part by the policy of the WSA to insure at non-compensatory rates certain import cargoes and as a consequence practically all the import cargo war business has gone over to the WSA. While the WSA is competing with the commercial underwriters on exports, the rates charged are deemed by the WSA to be compensatory, "although their idea of what rates should be and the commercial underwriters' ideas are in considerable variance," so that quite a little of that business has already gone to the government.

The commercial underwriters have cooperated with the government from the beginning but they have not been able to see eye to eye with the reasoning of the government, Mr. Winter said. The underwriters believe that commodities should be sold for what they cost at the place of sale. For instance, the commercial rate for insuring a cargo of coffee from Brazil to the United States is 20 percent and the government charges 35 cents per \$100. Thus a pound of coffee is sold to the consumer at a cost that does not reflect the various factors involved in delivering the commodity to his door. The government has three schedules of rates for various commodities which differ widely, although the different commodities are carried in the same bottom and exposed to the same hazards. It seems

strange that a cargo of coffee can be brought from Brazil to New York insured by the government at the rate of 35 cents while a cargo of machinery going from New York to Brazil is insured by the government at 15 percent. The ways of government, he declared, are mysterious and past finding out.

Place in Days of Peace

The marine insurance business will have an even more important part in days of peace, he declared. It should be kept alive and in vigorous health. Unfortunately there is a tendency in government departments toward taking over marine insurance as distinguished from marine war insurance under government agencies. All such efforts will be opposed by the marine underwriters. To date the government has not entered the field of pure marine insurance. He pointed out that the British government which will be the chief competitor after the war, does everything possible to foster and develop its marine insurance facilities. It would be shortsighted on part of our government to do anything that would tend to break down a marine facility which will be absolutely essential to the conduct and development of American commerce after the war.

Halbruegger Speaks Oct. 15

ST. LOUIS—George C. Halbruegger, an expert on provisions of the new standard fire policy, which will be in use in Missouri at any early date, will speak at a luncheon meeting of the Insurance Board of St. Louis Oct. 15. This will be the first of a number of educational meetings to be held during the year. Mr. Halbruegger is rating engineer of the Lawton-Byrne-Bruner agency. "The Bulletin," a four-page organ, has been initiated, and will be published periodically.

John N. Gatling, 55, McAllen, Tex., local agent, died from a heart attack while hunting near McCook, Tex.

Recommend Less State Data

At the meeting of Zone 2 of the National Association of Insurance Commissioners in Richmond, Va., last week, considerable time was devoted to a discussion of examinations of insurance companies. It was decided to recommend to the National Association of Insurance Commissioners that state departments eliminate during the present emergency much detail and statistical data now required of companies. The opinion was expressed that since both companies and state departments have both suffered reduced personnel and equipment as a result of the war, procedures should be simplified as much as possible.

Commissioner Bowles of Virginia was reelected manager for the zone. Attending the meeting were Alexander of Pennsylvania, Gontrom of Maryland, Lloyd of Ohio, Justice of West Virginia, Hodges of North Carolina, Egleston of South Carolina, and Jordan of the District of Columbia.

Amend Mutual Tax Bill

WASHINGTON—The Senate, in accepting virtually intact the 1942 federal revenue bill of its finance committee, and sending the measure to conference with the House, adopted an amendment to the provision taxing mutual fire and casualty companies.

Senator LaFollette requested that the words "writing no insurance contracts other than mutual insurance contracts" be stricken out. This was agreed to.

W. E. Putney, 86, who for 54 years had been engaged in the insurance business as the W. E. Putney agency in Fitchburg, Mass., died at his home in Westminister. He also served for many years as vice-president of the Fidelity Cooperative Bank, Fitchburg.

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We Are at War—

War against Ruthlessness, Destruction and Tyranny. To win this war we must all work harder and closer together—we must produce and we must fight—we can win.

Insurance can be counted on to do its part—to protect life, property and production.

Insurance agents and brokers are soldiers on the home front—the men and women who are writing the insurance protection so essential in peacetime and so vital in war time.

The Loyalty Group salutes the insurance producer. For 90 years we have been protecting our policyholders against loss and we pledge our continued services to their Security and the Security of our Nation.

"Loyalty" means Fidelity and Faithfulness to our country, to our insured and to our agents and brokers.

John R. Cooney

President



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Canadian Departments
461 Bay St., Toronto, Ontario
404 West Hastings St., Vancouver, B. C.

Foreign Department
111 John St.
New York, New York

Pacific Department
220 Bush St.
San Francisco, Cal.

★ BUY WAR BONDS ★

INSURANCE MEN IN ARMED SERVICES

Illinois Agents' Leader Enters Armored Force

D. V. Moody, Elgin, Ill., who served several terms as treasurer of the Illinois Association of Insurance Agents, will enter the army Saturday of this week as an officer candidate in the armored force. Mrs. Moody will carry on the agency during his absence.



D. V. Moody

One of the youngest prominent members of the Illinois association, Mr. Moody has built up a splendid business in Elgin. He was elected treasurer of the association when it was revamped in 1938 and remained in that office until this fall, when he dropped out in anticipation of military service.

V. W. Gallagher, Standard Accident, Enters Navy

Vincent W. Gallagher, resident vice-president in charge of the bonding department at the New York branch office of Standard Accident, has been commissioned a lieutenant in the navy, and has been assigned to the insurance division of the Maritime Commission, Washington.

Mr. Gallagher has occupied his present position with Standard Accident since early in 1940. Previously he had served as associate manager of the bonding department. He has been with Standard Accident since 1927.

William K. Reeves, stepson of Otway Conard, assistant secretary of Standard Accident, is a second lieutenant in the infantry, stationed at Fort McClellan,



V. W. Gallagher

Returns to Army



H. W. SEMMELMEYER

H. W. Semmelmeier, manager public relations department of the Pacific Board, leaves for Fort Knox Oct. 20 to serve as a major in the army. Prior to entering the insurance business some years ago as a special agent, Mr. Semmelmeier was a captain in the army assigned to the field artillery. During his army life he spent two years at Fort Knox, following graduation from West Point.

Ala. He will be married soon to Miss Donna Copeland.

Bert Hanna, formerly an underwriter in the automobile department of Standard Accident, has been commissioned a second lieutenant. He has just finished his training at Fort Warren, Wyo., in the quartermaster corps, and is temporarily located at Oakland, Cal.

P. B. Moran, Automobile, Is Entering Army Oct. 20

P. B. Moran, associate manager of the western marine department of Automobile, Chicago, is entering the army Oct. 20. Mr. Moran has been with Automobile more than 25 years, joining the company when he left school. He has been assistant manager the past 10 years, and was named associate manager on his 25th anniversary in April.

Mr. Moran is highly regarded in the inland marine field. He started with the company during the last world war, when the marine carriers were writing war risk insurance on an open market.

Los Angeles men who have entered

the armed services include: Canby T. Mecke, manager Globe & Rutgers Fire; A. J. Lloyd, secretary and office manager, Spear & Co., who goes into the army air corps ferry command; R. M. Sergeant of E. D. Williams & Co., who will report for duty at Ft. McArthur.

Lucy Elizabeth Boyd, who has been with the loss information service of the National Board, has joined the WAVES and will take her training in Oklahoma.

Two men formerly associated with the Chicago office of Newhouse & Sayre as underwriters have received promotions in the armed services. John E. Irland has been promoted to captain in the army, and Paul Fagan, ensign, has been placed second in command of a mine sweeper out of an east coast port.

Nick Kleber, Kansas state agent of the Royal-Liverpool groups, Wichita, expects to enter military service this month.

Wm. T. Smethells, special agent of Detroit Fire & Marine in northern Michigan and the upper peninsula out of Traverse City, has resigned to join the naval reserve as a lieutenant, junior grade. He reported for duty at Princeton, N. J.

Robert A. Hanf of the accounting department of Buckeye Union, Columbus, has been inducted into the army and is

now at Fort Benjamin Harrison, Indianapolis.

George O. Petrie, special agent for General Schuyler Fire in Ohio, has enlisted in the merchant marine, with the rating of second engineer. Mr. Petrie traveled the Ohio and West Virginia territory for many years.

Lieut. (jg) Ross Bain, junior partner of the local agency of Bain & Furse, Gary, Ind., has been on active sea duty since August. His father, Leslie R. Bain, is of the agency.

Major R. C. Dreher, who resigned as advertising manager of Boston and Old Colony to enter the army air service, is stationed at the air base, Presque Isle, Me.

John J. Cronin, liability underwriter of Massachusetts Bonding in Boston, has entered the navy.

Thomas Henry, who has been in the insurance business 22 years and is an office broker in the Chicago Insurance Agency, has been commissioned in the army and is stationed at Cleveland. A farewell dinner was given in his honor by his insurance friends.

Kenneth H. Wheelock, vice-president of Chastek & Wheelock, Seattle agency, has joined the army transport service in a civilian capacity and is stationed at



EAGLE IS REPRODUCED FROM A FOLDER PUBLISHED BY THIS COMPANY IN 1870

GOING "ALL-OUT"!

WHAT's "all-out" in the insurance business? * * Isn't it showing people how they can prevent loss and waste! How they can have better protection! Explaining all the things their insurance policies can do for them! * * In doing this, we can show that insurance as a private enterprise is a necessary part of American life. * * Why? Because it benefits the American people!



OHIO FARMERS INSURANCE COMPANY

Chartered 1848, LeRoy, Ohio

MEMBER • THE NATIONAL BOARD OF FIRE UNDERWRITERS



This is one of the ways the Aetna Fire Group is cooperating with the War Damage Corporation and with you in telling the public about war damage insurance. This advertisement appears—in color—in the October 26th issue of *Time*, the weekly news magazine, and in the November issue of the *Nation's Business*. The Aetna Fire Group, W. Ross McCain, President.

something you can't afford to be without these days

● Those who are conserving on fuel may very well feel that red flannels are a wartime essential.

● Another form of coverage you can't afford to be without is

WAR DAMAGE INSURANCE

While your present fire insurance policies give you exactly the same protection today that they did before the war, they do not cover damage caused by air raids.

To meet this need, the companies of the Aetna Fire Group and their agents and brokers are cooperating with the War Damage Corporation (created by the U. S. Government) in making war

damage insurance available to you. This new type of insurance specifically covers property losses resulting from enemy attack including action taken by our military, naval or air forces in resisting enemy attack.

You can obtain War Damage Insurance on your home, household goods, automobile, business property, etc. Property worth insuring against fire is also

worth insuring against air raids, and almost all classes of property are eligible. The rate for dwellings is only 10¢ per \$100 per year.

In writing War Damage Insurance your local agent is rendering an important public service. For particulars on how War Damage Insurance can be fitted to your individual needs, ask your insurance agent or broker today.



The Aetna Fire Group

HARTFORD, CONNECTICUT

Aetna Insurance Co. • The World Fire & Marine Insurance Co. • The Century Indemnity Co. • Piedmont Fire Insurance Co. • Standard Insurance Co. of N. Y. • Standard Surety & Casualty Co. of N. Y.

the Seattle port of embarkation. He plans to join the army soon.

Glenn E. Carter, associate editor and business manager of "Pacific Northwest Underwriters," Seattle, has been commissioned a first lieutenant in the army.

A. Henry Moses, assistant treasurer of Aetna Life, has been commissioned a captain in the army and has reported to the ordnance department in Washington.

Obie J. Smith, Jr., secretary of the Smith Realty Co. agency, Indianapolis, has received a commission as lieutenant, senior grade, in the naval reserve and has reported at Pensacola, Fla. He has had more than 400 hours as a private pilot.

V. A. Koenig, assistant manager of Travelers Fire in San Francisco, will leave shortly for army service.

Harry F. Parker, assistant manager of the surety department of Maryland Casualty in San Francisco, has been commissioned a lieutenant (j. g.) in the navy reserve.

Chas. W. Smith, engineer at Dallas of America Fore, has left to join the army air corps bombardier school at San Angelo, Tex.

W. E. Green, cashier in Atlanta of Travelers, has been called to military service. C. C. Bennett, assistant cashier, now is in charge there.

Lewis Lacy, former manager of the Lacy & Lacy agency, Oklahoma City, has entered military service. The agency is being operated by the Leslie Ash agency during his absence.

Ned Parry, formerly of the Lillard & Parry agency, Shawnee, Okla., has reported for duty in the navy. His wife, Imogene Parry, has succeeded him in the agency.

J. W. Butler of Oklahoma City, who recently joined the navy, has been promoted to chief boatswain mate. He was assistant manager of the Oklahoma Audit Bureau and is immediate past most loyal gander of the Oklahoma Blue Goose.

M. D. Pier, secretary of Excess Underwriters, who was inducted into the army as a private in 1941, has been commissioned a second lieutenant following his training period at the Fort Knox officer candidate school.

Fire's Part in War Is

Fleming's Cleveland Topic

CLEVELAND — The Insurance Board of Cleveland observed Fire Prevention Week with a big meeting at which T. Alfred Fleming, director of conservation of the National Board, was principal speaker. The Cleveland Field Club and other insurance men were invited and officers of the Cleveland fire department and Cleveland safety officials were special guests.

E. B. Berkeley, president of the board, opened the meeting. Mr. Fleming presented the citation of the National Board to radio station WGAR for meritorious service in fire prevention work the past year.

Over 50 percent of the war program today is influenced by fire, Mr. Fleming said, and over 55 percent of civilian defense is based on fire. Fires are saboteurs of carelessness. He cited some of the big fires last year, including the big rubber loss in Fall River, Mass.; a Philadelphia lumber yard fire, the great New York pier fire, the Jersey City pier fire, and others, all of which he said were due to plain carelessness, lack of protection, failure to turn in quick alarms, lack of education, and failure to assume full responsibility.

Inspections, Mr. Fleming said, should bring out the conditions of a plant, the things it harbors, protection facilities, and all other factors, so that full preparation can be made for proper handling in event of emergency.

Grain Dealers National Mutual, Indianapolis, has donated the tall iron fence surrounding the home office to the salvage program.

Norton Declines to Continue as Head of Chicago Brokers

President Joseph H. Norton of the Insurance Brokers Association of Illinois has expressed a desire not to be reelected for a second term, due to the demands of his business and the fact he will have to be away from Chicago a great deal of the time. Thus the new board which will be constituted at the annual meeting to be held Thursday afternoon in Chicago will canvass the membership for a worthy successor.

Four new directors will be named. The retiring directors are: Robert C. Geigel, Ray H. Johnson, Mr. Norton and Walter J. Riser. However, L. W. Lindquist, chairman nominating committee, has recommended reelection of these four men as directors, and this probably will be done.

As soon as the new board is constituted it will meet and elect the new officers for the year, which probably will be some time next week. Those elected will be the president, secretary, treasurer and two vice-presidents.

New changes in by-laws will be con-

sidered at the meeting, one to eliminate the membership requirement that the applicant be a member of the Chicago Board, and the other to disqualify solicitors for membership. The brokers organization is opposed to the principle of employing salaried solicitors.

President Norton will give a review of the year's activities in the association and highlights of national insurance developments of interest to brokers. Committee chairmen also will report and it is likely there will be some review by George Scully, chairman of a special committee, of the conferences with the Chicago Board to secure more active voice in its affairs.

Enemy Aliens Cannot Buy War Damage Cover

WASHINGTON—The War Damage Corporation has notified fiduciary agents that it will not accept applications from nationals of Italy, Japan, Bulgaria, Hungary or Roumania.

In order to carry out the ruling fiduciary agents are instructed to stamp on the application the legend: "Notwithstanding anything elsewhere contained herein, this policy shall be null and void to the extent that it purports to cover property owned, directly or indirectly,

Michigan Attorney-General Rules on Retaliatory Law

LANSING, MICH. — Attorney-general Rushton, in an opinion prepared by J. F. Shepherd, his assistant who handles insurance department legal matters, has informed Commissioner Berry that the correct measure of retaliatory taxes and fees is the rate at which Michigan companies and agents are charged in other states.

The Michigan department had received some complaints that taxes in other states were being applied in a manner which made the total tax greater than Michigan receives by levying the same rate on the same premiums or other base. The question thus arose as to whether the amount of the tax, rather than the rate, should be the yardstick, but the attorney-general's opinion indicates that the law clearly refers to rates and that this is the established method in Michigan and in nearly all other states.

by a national (including any person real or juridical) of any country with which the United States is at war."

Fiduciary agents are asked to instruct their producers to bring this to the attention of all prospective applicants.

WE hope this poster will remind the insurance fraternity that it is in this fight too. They too must enlist in the silence campaign.

Copies of this poster, size 9 x 12 inches, will be furnished any insurance agent for window display

purposes. The Employers' Group imprint appears on the back of the poster. For copies write A. R. P. Department, The Employers' Group, 110 Milk Street, Boston. Please order by form number which is S428.



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Building America! AVIATION

Protecting America!

IN the building of America no more dramatic contribution has been made than transportation's "magic carpet" created in the nation's aircraft and engine factories.

Within the space of a few short years the demonstrated performance of large and fast passenger and cargo-carrying airplanes and flying boats has made an invaluable contribution to the American way of life and has revolutionized established concepts of time and distance.

No less breath-taking than the speed of our fastest planes has been the phenomenal growth of America's aircraft industry. Four short years have seen the evolution of an infant industry employing but 24,000 workers into a giant organization now employing over 2,000,000. In that time, too, the value of its production has increased from \$107,000,000 to over \$10,000,000,000.

The strength of America's aircraft industry, now keyed to our War Program, will exert an augmented power in the further building of America when peace returns.

The aircraft industry is unquestionably the most potent protective weapon in the armory of the United Nations.

Hand in hand with this military protection is the financial protection of insurance—which safeguards the vast values invested in plants, equipment, and products. Insurance, too, through its collateral Engineering and Loss Prevention Service, minimizes hazards of loss or damage. Through the facilities of Aero Insurance Underwriters, the oldest established aviation insurance

office in America, the Royal-Liverpool Groups offer their representatives unexcelled underwriting and Service facilities with respect to all forms of Aircraft insurance. May we tell you about them?

AGENTS AND BROKERS—Have you told property owners in your area about the importance and availability of War Damage Insurance?

ROYAL-LIVERPOOL GROUPS

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA • THE LIVERPOOL & LONDON & GLOBE INSURANCE CO., LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • QUEEN INSURANCE COMPANY OF AMERICA • THE NEWARK FIRE INSURANCE COMPANY • FEDERAL UNION INSURANCE COMPANY • ROYAL INSURANCE COMPANY, LTD. • THE SEABOARD INSURANCE COMPANY • STAR INSURANCE COMPANY OF AMERICA

Prepare for Mobilization Day

(CONTINUED FROM PAGE 1)

wants the girl in his office or his wife to run it he has some things to take care of.

If the girl doesn't have a license she had better get busy. She must be made familiar with rates, forms and endorsements, policy writing, invoicing, collecting, handling of renewals. Agents should begin to introduce her to policyholders. Some sort of an incentive plan should be established for her. The girls will be handling large sums of money and they should be bonded. A definite collection policy should be established so that the girl can follow a definite course. The agent in advance should prepare letters forwarding policies, collection letters or notices. The agent may want to close a downtown office and have the business operated from his residence. Perhaps he will want to run a weekly letter in the form of an advertisement from his camp. In brief he said: "Begin now to plan for your mobilization day."

Those agents who are to remain and serve their communities must anticipate a reduction in premium volume. Mr. Jones said.

Cause for Action

Inventories are rapidly shrinking and he predicted that shortly the government will tell every businessman how much inventory he may have and of what that shall consist. Additional taxes and the increased purchase of war bonds will make a substantial reduction in the standard of living. Some predict a 40 percent cut in automobile premiums.

The immediate future is not so much cause for alarm as it is cause for action, he said. The local agent should study local conditions and determine what effect the conditions are likely to have upon his business. "Look your business over with a cold and realistic eye," he said. "Estimate your commission income for the next several months and then adjust your expenses to meet it. I recommend this as the first step, because when you relieve yourself of financial worries you can devote your full effort to replacing this lost business with new business."

"It is imperative in looking about for new business to select prospects carefully." He addressed himself particularly to the average agent in the smaller community. It is well to consider what types of business are likely to be least affected by the war and he suggested dwellings and contents, schools, churches, apartments, libraries, hospitals, public buildings, businesses dealing with the manufacturing or distribution of the necessities such as food, clothing, heat and shelter.

Fire Prevention Appeal

The sales appeal in approaching this market, he suggested, should be fire prevention. He said that if he were a local agent in a small town he would see as many home owners as possible, talking to the wife, pointing out to her what kind of a job she might have keeping house without an electric sweeper, washing machine, ironer and radio. The wife could be made to be interested in taking reasonable precautions to prevent loss by fire and see to it that the rest of the family became fire prevention conscious. He should talk to the head of the household, suggesting that if his home were destroyed by fire he could not rebuild, that he would have to rent whatever was available and that he could refurnish to only a limited extent. He said he would present to the householder a fire prevention kit that Lumbermen's Mutual has devised, with an offer to check their coverages, would suggest completion of a household inventory book and have one ready to present. He would mention some of the coverages not ordinarily purchased by home owners.

Mr. Jones expressed the belief that

any well informed citizen today would appreciate practical information on fire prevention. He advises the agents immediately to start an aggressive and intensive campaign for new business because after the war man-power commission gets going it will be in questionable taste to solicit the business of agents who are serving their country.

Returns to Place of Its Nativity

(CONTINUED FROM PAGE 1)

been filling that office ever since, he also being chairman of the board. Colonel Halley was the first president, serving from 1910 to 1915. Then followed Neal Bassett, Charles E. Sheldon, A. D. Baker, W. D. Williams, C. H. Coates, C. H. Yunker, Waite Bliven and Ralph Rawlings.

When the Western Insurance Bureau was fully organized there resulted the joint conference committee with the old Western Union formed in 1912. Mr. Sheldon is given credit for conceiving the idea of the conference agreement. It was abrogated in 1923.

There were but few easterners present at this meeting. Previous to the dinner Wednesday evening a cocktail party and reception were held, it being under the auspices of the Cook County Loss Adjustment Bureau, Underwriters Adjusting, Western Adjustment, Uniform Printing & Supply, and Underwriters Salvage.

Considerable attention was given to the federal grand jury probe at Atlanta. Homer H. Berger, eminent Kansas City attorney, was invited to attend the meeting and was present. He has been engaged by officials to represent it in the Atlanta fishing expedition. He discussed the situation at one of the sessions.

M. A. Scholbe of the Germania was the first secretary of the Bureau. Fred A. Rye, now head of the Improved Risk Mutuals in New York City, followed. Rudolph Belcher was his successor and then came Fred C. Schad.

R. D. Hobbs, manager Western Actuarial Bureau, gave his report.

Frank J. Breen, president of the

Standard of New Jersey, came on for the meeting. A. F. James, chairman of the board of the Northwestern National, was present for the first time in some years. His son, Charles D. James, is president of the company and prominent in the Bureau. President C. J. Schrup of the Dubuque F. & M., was accompanied by Secretary B. J. Oswald, the latter attending his first Bureau meeting. Secretary E. E. Soenke of the Security Fire of Davenport brought President J. W. Ballinger to the meeting and he was properly introduced.

President Clark in his opening remarks stated that the board of directors is persuaded that the right kind of meetings, the real working ones, are more important this year than ever before and he thinks the federal government concurs in that belief. There are important decisions to be made, many things to be discussed and ideas to be exchanged so that "our thinking for the tasks ahead of us may be clear and logical."

There are many problems confronting the business today, he said, that call for the best concerted thought and effort. He discussed some of the main problems before the industry and called for united cooperative effort on part of all concerned.

Staggered Hours in Newark

Three insurance company home offices of Newark have been ordered to change the opening and closing hours of their offices approximately one hour later than usual in connection with the New Jersey staggered hours program drawn up by the New Jersey war transportation committee that was appointed at the request of the Office of Defense Transportation. The insurance companies affected are American, Loyalty group and Prudential.

Agger, Falls on Credit Program

Commissioner Agger of New Jersey and Vice-President L. E. Falls of American are on the program for the annual meeting of the Credit Managers Association, which began in Newark Wednesday and continues until Saturday.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago, at close of business Oct. 13, 1942

	Par	Div.	Bid	Asked
Aetna Cas.	10	5.00	123	127
Aetna Fire	10	1.80*	49 1/2	51 1/2
Aetna Life	10	1.40*	29 1/2	31
Amer. Alliance ..	10	1.20*	20 1/2	22
Amer. Equitable ..	5	1.00	18	19
Amer. Home	10	...	6	7 1/4
Amer. (N. J.) ...	2.50	.60*	13	14
Amer. Surety	25	2.50	51	53
Automobile	10	1.40*	35 1/2	37 1/2
Boston	100	21.00	520	540
Camden Fire ...	5	1.00	18 1/2	20
Carolina	10	1.40*	28	30
Contl. Cas.	5	1.50*	34	35 1/2
Contl. N. Y.	2.50	2.20*	39 1/2	41
Fidelity-Phen. ...	2.50	2.20*	40	42
Fire Assn.	10	2.50*	56	58
Firemen's (N.J.) ..	5	.40	9 1/2	10 1/2
Franklin Fire ...	5	1.40*	25	26 1/2
Gen. Reinsur. ...	5	2.00	41	42
Glens Falls	5	1.60	37 1/2	39 1/2
Globe & Repub. ...	5	.50	8 1/2	9 1/2
Gt. Amer. Fire ...	5	1.20*	26	27 1/2
Gt. Amer. Ind. ...	2	.20	9 1/2	10 1/2
Hanover Fire ...	10	1.20	23 1/2	25
Hartford Fire ...	10	2.50*	89 1/2	92
Home (N. Y.) ...	5	1.60	27	28
Ins. Co. of N. A. ..	10	3.00*	70	72
Maryland Cas. ...	1	...	3 1/4	3 3/4
Mass. Bonding ...	12.50	3.50	61 1/2	63
Mer. (N.Y.) Com. ...	5	2.00*	43	45
Natl. Cas.	10	1.00	22 1/2	24 1/2
Natl. Fire	10	2.00	57	59
Natl. Liberty ...	2	.40	7 1/4	8
Natl. Un. Fire ...	20	5.00*	153	158
New Amst. Cas. ...	2	.97 1/2c	22	23
New Hampshire ...	10	1.80*	40	42
Northern (N.Y.) ...	12.50	5.00*	80	83
North River ...	2.50	1.00	23 1/2	25
Phoenix, Conn. ...	10	3.00*	83 1/2	85 1/2
Preferred Accl. ...	5	1.00	14 1/2	15 1/2
Prov. Wash.	10	1.40*	31 1/2	33
St. Paul F. & M. ...	62.50	10.00*	258	265
Security, Conn. ...	10	1.40	34 1/2	36
Sprgld. F. & M. ...	25	4.75*	119	123
Standard Accl. ...	10	2.50	56 1/2	58
Travelers	100	16.00	412	425
U. S. Fire	4	2.00	47	49
U. S. F. & G.	2	1.25*	29	31

*Includes extras.

Gordon S. Crawford, son of W. S. Crawford, insurance editor of the New York "Journal of Commerce," has entered the armed services, becoming a private, 504th battalion, M.P. Co. A, Fort Sam Houston, Tex. He has been for a number of years on the faculty of Kingswood Boys School at West Hartford, Conn. He is highly regarded in the teaching profession.



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MANAGER

92 William Street, New York

Losses paid exceed Two Hundred and Fifty Million Dollars

CHICAGO

JOYS & GLOOMS CELEBRATION

The annual dinner of the Joys & Glooms, fire insurance social organization, was held Monday evening in Chicago prior to the meeting of the Life Members Society of the Northwest Association. W. A. Chapman of Evanston, Ill., retired western manager of the Fireman's Fund, as czar was in the chair and presided in a manner becoming his title. W. J. Sonnen of Evanston, retired Chicago department manager of the St. Paul F. & M., who is the working member of the official staff, had charge of the details.

On nomination of A. F. Powrie, western manager Fire Association, C. F. Thomas, manager of the Western Underwriters Association, was elected to membership, being assigned to a humble position among the "Glooms."

W. Tecumseh Benallack, secretary Michigan F. & M., poet laureate of the order, was commissioned to write a Joys & Glooms song to be introduced at the next annual meeting.

STUDY BAKELITE HAZARDS

The film, "The Fourth Kingdom," furnished by the Bakelite Corporation, will be shown at the meeting of the Fire Insurance Examiners Association of Chicago Thursday evening and H. E. Smith of the National Inspection Company will be on hand to answer questions and clarify certain phases of manufacturing hazards inherent in such risks.

ACCOUNTANTS TO HEAR BAKER

R. E. Baker, new business manager of the Hartford Accident's western department in Chicago, will address the Chicago Insurance Accountants Association at the monthly meeting Oct. 22 on "Aptitude Testing."

MRS. BELCHER NOW CHAIRMAN

Mrs. K. L. Belcher, Chicago general agent who is carrying on the reinsurance business of her late husband, was named board chairman of the Insurance Distaff Executives Association at a meeting of the executive board. Standing committees were appointed by Mrs. Hugo Dalmar, of H. Dalmar & Co., president. It was decided to curtail speaking programs at meetings due to war activities of members. The first fall meeting will be held Oct. 15, when plans for the year will be discussed. Committee chairmen named are: Plan-

ning, Mrs. Belcher; membership, May Carter, Continental Casualty; budget and finance, Hazel Almcrautz, Niagara Fire; constitution and by-laws, Edith E. Edwards, Illinois Fire Underwriters Association, and publicity Miss LaVerne Hand, Penn Mutual Life.

\$100,000 TERMINAL LOSS

Fire destroyed the terminal of Acme Truck Rentals at 2930 South Wells street, Chicago, last week. There was \$44,000 insurance on the building and \$12,000 on inventory, both of which are total, and 32 pieces of truck equipment, mostly truck tractors, were destroyed

with a loss of approximately \$50,000, insured. The fire originated when a torch ignited a wooden section of the building.

North Carolina Agents Take Up Problems at Meeting

WINSTON-SALEM, N. C.—Problems facing agents were discussed at a meeting of Region 4 of the North Carolina Association of Insurance Agents. Representatives were present from 12 counties in this section.

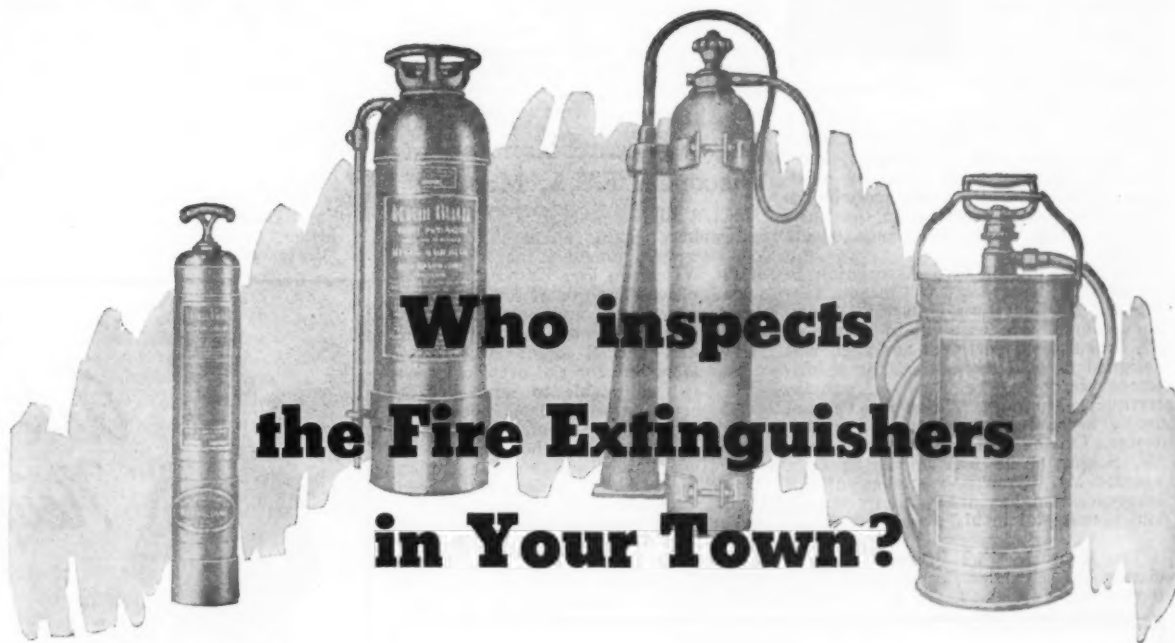
H. Pierce North, New York City, assistant manager Business Development

Office, spoke on "War Damage Insurance." J. F. Fletcher, Raleigh, manager North Carolina state compensation bureau and automobile rate administration, discussed "Reduction of Automobile Bodily Injury Rates and Reduction of Compensation Rates."

"Cooperation Between Companies and Agents" was taken up by Spotswood Hunt, Raleigh, chairman North Carolina Fieldmen's Conference. F. W. Wilkinson, Rocky Mount, president North Carolina association, spoke.

Irwin C. Becker, local agent of Beaver Dam, Wis., has purchased the C. J. Jackman agency there.

EVERY DAY—MAKE FIRE PREVENTION YOUR PERSONAL WAR WORK



YOU know that most fire extinguishers need recharging at frequent intervals . . . inspection at least once a year. But, many owners don't know it. Education on this subject is vitally important!

An extinguisher that won't work is no better than none.

All sorts of buildings have these fire-fighting appliances that people depend on in case of fire. Yet, all too often the buyer simply hangs the shiny new "tool" on the wall and forgets it.

* * *

Is there a regular public inspection of fire extinguishers in your town? If not, you

can perform a fine service by organizing one . . . and the sooner the better!

Through advertising and talks at clubs and civic gatherings, you can sell—continuously—the idea of fire prevention. One good plan is demonstrations by the Fire Department on how to use extinguishers of different types. They can be given just before the date for recharging the extinguishers. Such exhibits assure fresh charges. They teach people how to use the equipment . . . prove that it is in good working order.

Start the ball rolling on this plan, and know that you are really helping the nation's war effort.

FOR SALE

General Insurance Agency, northwest Ohio town, 2700 population. Well established business with good income. Address Q-70, care The National Underwriter, 175 W. Jackson Blvd., Chicago.

AVAILABLE

Thoroughly experienced fire, automobile, compensation and general casualty underwriter, branch office manager, agency superintendent and executive with outstanding record of achievement. Capable of assuming full charge. Draft exempt. Excellent references.

Address Q-72, care The National Underwriter, 175 W. Jackson Blvd., Chicago

BRANCH MANAGER WANTED

A man in the middle 40's who has had a well-rounded casualty experience. Must have definite executive ability—to handle \$6000 a year position.

FERGASON PERSONNEL
INSURANCE PERSONNEL SPECIALISTS
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AVAILABLE—WOMAN EXECUTIVE

15 years claim and varied insurance experience; fire, marine, burglary, and auto. Capable of office management. Address Q-66, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

Agricultural
Insurance Company
of Wisconsin, N.Y.



Empire State
Insurance Company
of Wisconsin, N.Y.

Every Type of Property Insurance for Industry and the Home.

NEWS OF FIELD MEN

Dean Perry Goes with Hanover in Michigan

Dean Perry of Minneapolis has been appointed Michigan special agent of Hanover Fire and Fulton Fire, working under State Agent Ben Phillips, Jr. He will have his headquarters at 520 Free Press building, Detroit, starting next Monday.

Mr. Perry was formerly state agent of Fire Association in Minnesota and some months ago wanted to try out his ambitions in photography, thinking that he could apply his knowledge and artistry to commercial and advertising lines. However, he finds that he is an insurance man and is insurance-minded. Therefore he is returning to the business in which he has been engaged all his life.

He started with Fire Association in its western department at Chicago, taking the Northwestern University insurance course. He was put in charge of the brokerage department and then was assigned to field work, traveling at different times in the Rocky Mountain territory, Missouri, Wisconsin and finally becoming special agent in Minnesota. On the death of State Agent R. W. Schimmel he was appointed state agent. Mr. Perry is a student of fire insurance and has always been serious and resourceful in his work.

The Kentucky Fire Prevention Association has scheduled inspection of Lexington for Nov. 12-13.



Dean Perry

Matthewes New President of Alabama Fieldmen

MONTGOMERY, ALA. — E. H. Matthewes, North America, is the new president of the Alabama Fieldmen's Association; H. H. Sands, Royal-Liverpool, vice-president, and Claude E. Boykin, Bankers Fire & Marine, secretary. Mr. Matthewes succeeds Bruce Gibson, National Liberty.

The Alabama Blue Goose held its fall meeting prior to the Field Club meeting with Dillon S. Overton of Johnson-Overton Co., Birmingham, most loyal gander, in charge. The ladies auxiliary gave a bridge luncheon.

The field men gave considerable discussion to the problems presented to them in the tire and gas rationing program.

Harvey Girard Honored at Wisconsin F.U.A. Meeting

MILWAUKEE—Harvey Girard, Milwaukee, state agent Providence-Washington, immediate past president of the Wisconsin Fire Underwriters Association, was honored at the past presidents dinner here and presented a pin designating his service. C. R. James, Milwaukee, special agent Aetna Fire, who was in line for the presidency last year but was unable to serve because of his health, was similarly honored as past honorary president. In the absence of Mr. James, the pin was accepted by Paul Rudd, state agent for Aetna Fire. G. F. Risley, state agent Great American, was toastmaster.

About 60 company men attended the dinner. Among the guests were John R. Cashel, western manager of Providence-Washington, Chicago, who paid tribute to Mr. Girard, and G. G. Ingle-

hart, secretary of Agricultural.

Preceding the dinner, the association held its quarterly meeting with Charles E. Dox, Milwaukee, London & Lancashire, presiding.

Indiana Blue Goose Gives Stephens Farewell Party

Duke R. Stephens, Millers National, was given a farewell party by Indiana Blue Goose at Indianapolis. Among guests were W. S. Whitford, executive vice-president and R. S. Danforth, assistant secretary of Millers National. F. D. Payne, most loyal gander Indiana pond, presided. Many tributes were paid to Mr. Stephens by fieldmen with whom he traveled in Indiana for 18 years. He has been active in association work, spoke frequently on fire prevention and has been president of the Indiana Field Club. Mr. Stephens is being transferred from Indiana to the Pacific Coast department to be stationed at Los Angeles.

He was presented a traveling bag by H. A. Smith, Northern of New York, on behalf of his field associates. Among those who spoke were Messrs. Whitford and Danforth, J. R. Welch and W. H. Miller, Indianapolis local agents; R. W. Vessenmeyer, Millers National; A.

J. Landgraf, Potomac; T. B. Morrow, Millers National; J. W. Byrne, Concordia; A. W. Schmadeke, Paramount; W. C. Collie, Ohio Farmers; J. R. Hull and F. S. Grahm, American States; R. L. DuBois, North British & Mercantile; J. N. Cline, Western Adjustment; H. W. Wood, Dubuque F. & M. After a few days in Chicago, Mr. Stephens will leave this week for Los Angeles.

Mr. Payne displayed the grand nest cup which Indiana was awarded at the Toronto meeting for the highest percentage of gain in membership in the last year. An initiation and business meeting will be held by the pond Nov. 2.

Cecil C. McGee Named State Agent in Kansas

Cecil C. McGee has been appointed state agent in Kansas for National Fire to be associated with State Agent Wilbur L. Gardner.

Mr. Gardner, a veteran of the Kansas field, has heretofore supervised both the field and the Kansas office and will now devote his efforts entirely to the increasing work of the Kansas service office, while Mr. McGee will supervise the field and production work.

Mr. McGee is well known to Kansas



What opinion have they regarding fire or casualty insurance—What companies carry their insurance—How many times have they been directly solicited for burglary—or rent—or rental value—When did they last check the values in their fire policies—?

Then ask—How much life insurance do they carry—and in what company—?

There will be but one deduction—There is a lack of opinion regarding the fire and casualty business. Under the American Agency System it is the Agent who directly can do the job.



Will Wrightman
FIELD CORRESPONDENT

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PROVIDENCE WASHINGTON INSURANCE CO.

Incorporated 1799

Incorporated 1928

ANCHOR INSURANCE COMPANY

The founders of the Providence Washington Insurance Company inaugurated the American agency system by the appointment of agents in New London, Connecticut, in 1803.

This Company and its affiliate the Anchor Insurance Company have consistently relied upon the agency system for the production of—

FIRE—WINDSTORM AND ALLIED LINES
OCEAN and INLAND MARINE—ALL RISKS
AUTOMOBILE—COMPREHENSIVE—FIRE—THEFT
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Home Office: 20 Market Square, Providence, R. I.

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agents, as he has been in that field since September, 1940. Prior to that time he spent four years as special agent in Missouri for National Fire, and previous to that was with the Kansas City branch of the Missouri Inspection Bureau. His headquarters will continue to be at the Kansas service office in Topeka.

Arch Blickenstaff to Okla. for Firemen's

Arch Blickenstaff, who has been special agent in the Kansas territory for Firemen's, has succeeded Don F. Wright, state agent in Oklahoma for Firemen's, Girard, and Pittsburgh Underwriters. Mr. Wright has been commissioned a lieutenant, junior grade, in the navy, and has reported for duty.

Dale R. Thomas, state agent in Oklahoma for the Concordia, Milwaukee Mechanics and National-Ben Franklin, continues for those companies. The two state agents have headquarters in the Ramsey Tower, Oklahoma City.

Holmgren and Taber Head Two Kentucky Slates

LOUISVILLE—With two slates of candidates, the Kentucky Fire Underwriters Association will hold its annual meeting here Nov. 24. The two tickets announced by R. J. Martin, Phoenix of Hartford, nominating committee chairman, both include Julius V. Bowman, Fire Association, for reelection as secretary-treasurer.

One ticket has Irvin F. Holmgren, St. Paul F. & M., as president; R. Macpherson, New Hampshire, vice-president; J. G. Galloway, North British; and C. E. Fieldhouse, Home of New York, executive committeemen.

The other slate is headed by J. B. Taber, America Fore, his running mate as vice-president being P. M. Beatty, New York Underwriters, with R. E.

Langan, Great American; H. L. Williamson, American of Newark, as executive committeemen.

William E. Kingsley, Travelers Fire, retiring president, will automatically become chairman of the new executive committee.

A drive is planned to interest agents, civic clubs, etc., in war damage insurance. There was considerable discussion at the October meeting on increasing transportation difficulties.

The Kentucky Blue Goose will hold an initiation, dinner and dance Nov. 24.

Thumley Iowa State Agent for Millers National

J. G. Thumley of the Millers National home office staff has succeeded A. J. Landgraf as state agent in Iowa, Nebraska and South Dakota.

Mr. Thumley is a graduate of North Central College, and has had five years training in the company's home office underwriting department, holding the position of examiner at the time of his appointment. His headquarters in Des Moines will be at 1200 Paramount building.

Okla. Program Setup Popular

Under the new idea program setup, intended to give general information on the function and operation of federal and civic protective efforts, attendance at the weekly meetings of the Oklahoma Blue Goose has increased about a third, Harry Cooley most loyal gander, reports.

The speaker last week was Lieut. Burns P. McAttee, reclassification supply officer at the Oklahoma City air depot. At the previous meeting, Chief McAlpine and Deputy Chief Lynn of the Oklahoma City fire department spoke.

Kerans Nominated for President

LOS ANGELES — The nominating committee of the Southern California

Fire Underwriters Association has reported the following slate for the annual election in November: President, Vincent Kerans, Corroon & Reynolds; vice-president, Marshall Paxton, resident vice-president, Edward Brown & Sons; secretary-treasurer, E. E. Harris, National Fire; executive committee, Ross D. Misner, New Hampshire Fire; R. E. Alderman, Royal-Liverpool group; D. E. Walker, Phoenix of Hartford; R. S. Robertson, Seeley & Co.; Paul St. John, Crum & Forster; H. W. Peterson, New Zealand; Al Lattimer, Fidelity & Guaranty Fire, and A. C. Heriot, Providence-Washington.

War Damage Ohio Speakers Topic

Charles D. Lamb, Automobile, president of the Ohio Stock Fire Insurance Speakers Association, presided at the meeting this week when James A. Neilan, Norwich Union, spoke on war damage insurance. At the meeting next week there will be an open forum on war damage insurance under the direction of Paul F. Brown, Hanover. There will be an inspection at Springfield Nov. 4-5.

To Inspect Marshall, Minn.

R. E. Vernor, Western Actuarial Bureau, Chicago, will speak at an in-

spection of Marshall, Minn., by the Minnesota Fire Prevention Association, Nov. 5. The October inspection at Eveleth, on the iron range, was largely attended.

Iowa Duck Dinner Nov. 5

DES MOINES—Iowa field men will hold their annual duck dinner at Waterloo Nov. 5. The dinner has been held annually and was started by the late H. Verne Myers, Security of Connecticut, who died last winter in California after a long illness. A. E. Holt, Aetna Fire, is chairman.

Ill. Pond Dinner Nov. 21

The Illinois Blue Goose has decided to hold a dinner meeting at the LaSalle Hotel, Chicago, Nov. 21. An outstanding speaker is being arranged for. There will be an initiation and presentation of the golf trophy to the Illinois champion.

Utah-Idaho Pond Meets

The Utah-Idaho Blue Goose held its first meeting of the season in Salt Lake City, with a large attendance. Members discussed current topics informally. Most Loyal Gander T. E. Ford outlined the plans for coming meetings. K. W.



Agents on trial

CHARGED WITH NON-SUPPORT of WAR DAMAGE INSURANCE

"The present system of handling War Damage Insurance through the fire insurance business is on trial. If it fails to do its job, the government will have to consider 'other methods.' War damage must be sold to a substantial proportion of property owners," so says J. W. Close, assistant general counsel of the War Damage Corporation. You, the local agent, fought for the right to sell War Damage Insurance rather than have it handled through post-offices, banks or governmental offices. Today there are some who say that this protection was pushed by agents for a short time only and then the job—while only partially finished—was deserted for more lucrative interests. In brief you are charged with non-support of War Damage Insurance. If you are found guilty your very way of earning a living may be endangered. However, we have faith in you and the American Agency system. We feel sure that the verdict will be Not Guilty.



To Progressive Agents—

May we show you concrete proof of business produced for our agents by our Tested Sales Aids? These sales methods will produce for you.

Ask To Have Our Fieldman Visit You

New York Underwriters Insurance Company

Under management of
A. & J. H. STODDART

Ninety John Street

New York

Withers, Fire Companies Adjustment Bureau, San Francisco, was a guest.

McGilton Public Relations Head

Hillyard Paschal, Royal-Liverpool, president Tennessee Fire Underwriters Association, has appointed Leon McGilton, American, chairman of the public relations committee.

Hughes Handles St. Louis County

J. G. Hughes of Springfield, Illinois state agent of Phoenix of London, has now been placed in charge of St. Louis county as well. The latter territory was formerly handled by William Scaff of Indianapolis in addition to his Indiana territory. Mr. Scaff died recently.

War Damage Is Maine Topic

PORTLAND, ME.—The Pine Tree State Field Club at its first meeting of the season voted to lend its cooperation to the membership campaign of the Maine Association of Insurance Agents and took up consideration of the war damage insurance program.

Michigan Blue Goose Outing

The Michigan Blue Goose held its annual fall outing Oct. 13, with about 80 members present. Robert Bucknell, vice-president Detroit National, was in charge of golf. Prizes were war stamps. The entertainment and program committee under Chairman W. C. Howe, Firemen's group, staged the outing.

J. R. Claypool, America Fore, past president of the Tennessee Fire Prevention Association, addressed a fire prevention meeting at Shelbyville, Tenn.

Mutual Agents Hold Annual Gathering in New York

(CONTINUED FROM PAGE 3)

had worked with the government in setting up the WDC and assisted in the distribution of millions of forms in a short time.

Members have made a fine response to the request for getting action from policyholders on the tax bill for the mutual companies, evidently with good effect.

Reports were given by H. A. Lethridge, Baltimore, secretary, and P. L. Baldwin, treasurer, Washington. J. C. McGehee, Jackson, Miss., was chairman of the membership committee which secured the big increase. Mr. McGehee announced that prizes had been awarded to Roy Allsopp, Grain Dealers National Fire, Indianapolis; J. D. Cristy, Central Manufacturers, Van Wert, O., and J. H. Rohrer for their work in that connection.

Greetings From Timanus

C. N. Nichols, executive vice-president New York Convention & Business Bureau, welcomed the members. Greetings from the companies were brought by J. H. R. Timanus, secretary Philadelphia Contributionship. Mr. Timanus urged agents to continue selling war damage insurance. He said the mutual insurance business was doing a fine job in making this available to the public without profit.

The most important job is to win the war, then to win the peace. Insistence on the return of liberties should be made at the end of the war. More honesty, intelligence, and constructive planning should be demanded in government policies and mutual insurance should be ready to meet the challenge when it arises, Mr. Timanus declared.

Nominated for director with term expiring in 1946 was T. R. Schultz, Birmingham, Ala. For director with term expiring in 1947, the nominations were J. R. Chappell, Jr., Richmond; C. C. Jennings, Baltimore; C. M. Westbrook, Charlotte, N. C., and F. B. Ballou, Norfolk, Va. (for reelection); Russell Dairs, Columbus, O., and Harvey Smith, Oaklyn, N. J. (new).

L. W. Ashton, Wilmington, Del., was chairman of the nominating committee.

Round table discussions were held by several state organizations following the regular meeting Tuesday. The New England group met with W. H. Howatt, Springfield, Mass., presiding; the other groups were: North Carolina, J. M. Zachary, Greenville, S. C., and New Jersey, G. E. Phelan, New York City. The meeting of the Virginia-District of Columbia group was postponed until November or December.

Lieut.-Comm. Thompson received word that he had been transferred from New York to Boston and he did not know whether he would be able to preside for the balance of the meeting. He turned the chair over to W. H. Howatt, Springfield, Mass., vice-president.

M. P. Luthy Is Heard

The thing that agents should be concerned about is what they are doing as individuals to carry on their work in the business serving wartime needs as long as they can, M. P. Luthy, secretary Lumbermen's Mutual Casualty, declared. All of the progress of civilized man has been due to organization, he said. In order to do his part to preserve the mutual insurance business as a part of the American system of free enterprise, the agent must know his product and the need of the buyer of insurance; organize his personality so that he will create a favorable impression on other people, and organize his work in such fashion that it will enable him to get the fullest benefit from his time and effort. The results of such a program, Mr. Luthy said, will enable him to be well on the way to make a maximum contribution to his work and the war program.

Although mutual insurance has had an impressive growth over the past 20 years, this has not been a "self-motivated" affair, but occurred as a result of the depression, when the public endeavored to cut its insurance costs, D. R. Kenney, insurance editor "U. S. Investor," declared. Mutual agents have largely sold their insured on the basis of dividends to policyholders, and these dividends are now being and have been reduced.

Mutual agents must sell all coverages and cease relying on dividends to get them the business. There is a group in Washington favorable to the elimination of the middle man and Mr. Kenney said that both stock and mutual agents are in the same boat.

The basic purpose of the TNEC investigation of life insurance, he contended, was to show that there is no need for the agent's services and he intimated that a similar purpose might emerge from the forthcoming federal investigation of fire insurance. He indicated that retaliatory measures against the stock companies would not be conducive to the good of the business.

John L. Train, president of Utica Mutual, in addressing the mutual agents,

made a strong pro-mutual talk. He predicted that after the war there will be many changes. The stock companies, he contended, must reduce their overhead expenses and most of the reduction will come from the agent's commission. Probably many stock companies will pursue direct solicitation and servicing of the large risks. These changes will be forced by the competition of mutual companies, he asserted. He predicted that in the near future laws will be enacted to permit one company to write all lines of fire and casualty insurance and it is even conceivable that one policy, issued by one company, will cover all direct loss to property which the insured may sustain and also all the insured's liability to others for his negligent acts.

Mr. Train predicted that there will be a continuing demand for federal su-

pervision and possibly incorporation of insurance companies under a federal law. He expressed the belief that this demand will be effective unless the state insurance departments come to a definite agreement and the legislatures put into effect such an agreement regarding the operation of the insurance business in the various states.

Paul vs. Virginia to Be Tested

He predicted that very soon the Supreme Court will have an opportunity of passing on the question as to whether insurance is commerce. After Jan. 1, he said, the laws of no state will prohibit the issuance by mutual companies of non-assessable policies and most of the larger general writing mutual fire and casualty companies after that date will issue such contracts.

There will probably be a general investigation of casualty and fire insurance by a congressional committee dealing with the application or misapplication of rates to risks of the same insurable standard and the rating practices arising from competition. This will be in addition to the investigation covering alleged violation of the anti-trust laws. He expressed the hope that there will some day "be an investigation by Congress of the tendency of monopolistic or near monopolistic commercial and industrial enterprises to invest in and control insurance companies and possibly eventually the insurance business."

The Elliott bill in Congress to extend the social security act, he said, if enacted, would seriously affect many of the lines of business now being written by insurance companies that might be further extended to affect other lines. He predicted that financial responsibility acts of other states will be patterned after the New York law and will probably be followed by compulsory insurance in many of the states.

Address of Pink

Superintendent Pink of New York in addressing the mutual agents spoke of the danger of inflation. The lack of effective control of the inflationary forces that are attacking the country from all sides is a great cause of worry, he said. It is certain that at a given time, the productive forces of this country, its man-power and unity of purpose will eventually secure a military victory. It is just as difficult to halt a runaway inflation as to win a war, he declared. The unselfish and determined support of the entire country is necessary. There must be no favoritism or compromise with any group.

The first to suffer from an inflationary spiral are life insurance policyholders, bank depositors or those who depend on a fixed salary or income. But economic confusion would extend to everyone. It would create discontent, destroy unity of purpose and might even threaten the form and spirit of the government. All insurance men, he declared, should use their effort and influence to support the President and Congress in their efforts to prevent inflationary tendencies from breaking bounds.

Insurance as a benevolent and democratic institution must stand courageously for those changes in the economic order and in international arrangements which will make for permanent prosperity and permanent peace. Insurance people should lead in educating the people to a willingness to make some real sacrifices so that all nations may share more abundantly in the natural resources of the world. Insurance will grow and thrive as it never has before if the new world is recreated on a sound economic basis and democratic institutions are encouraged to function everywhere. Subsidies and tariffs must not be used to prevent free flow of commerce. This country must be willing to buy as well as sell. The currencies of the various nations must be stabilized so that a free exchange of commodities will be possible. This country may even

have to use some of its gold to help. Those nations that still have resources must use them to help rebuild the areas devastated by the axis powers. The oceans and the air must be free to all and the raw materials and rich natural resources of the world made available to those who need them.

Excess Casualty Cover

Lester A. Menegay, vice-president of Excess Underwriters of New York, in addressing the mutual agents gave a very informative talk on excess casualty insurance. He said that excess casualty insurance is not generally used on any risk where a premium of less than \$150 is developed for the excess limit. Some of the risks that are likely to carry high limits of liability and which produce sizable premiums are public utilities, hotels, department stores, street railways, bus lines, automobile fleets and office buildings. He stated that in 1941 domestic companies wrote about \$2,750,000 in excess casualty premiums. He estimated that non-admitted carriers wrote about \$1,250,000.

Talk of L. G. Purmort

L. G. Purmort, president of Central Manufacturers Mutual of Van Wert, O., in addressing the mutual agents, recalled that the organization just a few years ago had less than 50 members, most of whom were located in northern Virginia and now the membership is about 1,000.

Mr. Purmort condemned those mutual companies that appoint unethical



L. G. PURMORT

representatives and that pay excessive commissions to attract a great volume of business. In doing so they pick up part timers and those who seek to obtain the commission and dividend on their own insurance, he said. This tends to belittle the service rendered by full time agents and if continued may tend to reduce dividends and increase cost of insurance. He urged agents to take advantage of the program offered by the American Institute of Property & Liability Underwriters. The speaker referred to the fact that in Vermont last year the stock fire companies had net premiums of \$1,385,000 and the mutual fire companies \$2,305,000 and he said that indicates what can be done elsewhere.

"You have given the non-par boys some real competition in the 10 years since this mutual agents association was established," he declared. "On the whole, competition has been clean and fair. The non-par boys have been thoroughly decent but they now try to Pearl Harbor us by a stab in the back with a vicious and unconscionable tax bill which we don't intend to take lying down. No doubt, they will think up new tricks, other than straight business competition, to bedevil us in the future. When they do, the same fine cooperation of mutual agents and companies will be needed and expected again."



John L. Train

Interpret Agent's Wartime Obligation at Ohio Convention

COLUMBUS—Karl D. Dakin, president Ohio Association of Insurance Agents, has announced that Governor Bricker will welcome the delegates at the annual meeting here Oct. 20-21.

The general purpose of the Ohio convention this year is to interpret the wartime obligations of the insurance agent and to set in motion the forces of the insurance industry's mobilized resources for the service of the nation.

County Chairmen to Meet

At noon on Oct. 20, there will be a luncheon for county chairmen and rural representatives. Carl H. Roggenkamp, special agent Security of Iowa, will discuss the rural fire prevention program sponsored by Ohio State University's extension service, and the Ohio State Council of Civilian Defense. The Fire Prevention Association of Ohio and the Ohio Association of Insurance Agents are cooperating in this movement. Paul R. Gingham, counsel for the Ohio association, will discuss "Legislative and Legal Problems." In the afternoon, a representative of the insurance department will confer with any who may wish to ask questions regarding insurance matters. Later in the afternoon there will be a round table for local association executives.

Question and Answer Forum

On Oct. 21, there will be a question and answer forum on fire insurance, casualty insurance and surety bonds. The consultants will be R. K. Hill, superintendent Springfield Fire & Marine; T. Y. Beams, vice-president Royal Indemnity, and Ashby Taylor, New York City manager Fidelity & Deposit.

President Dakin will preside at the business sessions, which will be held from 11 a.m. to 12:15. Harry T. Minister, chairman of the finance committee, and Ray Martin, executive secretary-treasurer, will submit reports. Officers will be elected.

At the luncheon, Insurance Superintendent Lloyd will speak on "The Insurance Industry Goes to War." In the afternoon there will be a forum on war damage, at which the speakers will be Harold C. Conick, assistant U. S. manager Royal-Liverpool group, and Milton W. Mays, director Business Development Office.

Opportunities will be provided for golf and the trophies will be awarded

at the banquet. These will include the trophies which were awarded for one year at the convention in Toledo in 1941 and the Paul Revere trophy, which was donated to the association in 1941 and which will be awarded this year to the member who has contributed most to the cause of the local agency system.

Illinois Field Men Hold Parley in Chicago

(CONTINUED FROM PAGE 2)

agents in uniform would continue to be licensed for the duration, but it was pointed out that it is necessary for the companies to requisition licenses for such agents and to pay the fees. Unless this is done, the license will expire.

Mixed Agency Problem

The question came up of the propriety of an association agency conducting the business of an agent representing non-association companies that enters military service. The answer is that such arrangements will not be subject to criticism and it is also permissible for non-association agents to handle the business of association agents but the field men should go on record that this is an emergency situation and that they desire to be notified when rearrangements are made. It is not necessary for the association agent to be licensed for the non-association companies, since the power of attorney that the appointee receives from the absentee is sufficient.

There was consideration given to promoting the sale of war damage insurance and George Cassell, Caledonian, chairman of the B.D.O. committee, was instructed to attend a meeting in Chicago Friday morning of the vice-presidents of the Illinois Association of Insurance Agents at which a project for stimulating the sale of this insurance is to be formulated.

Individual Action Is Urged

The members endorsed the idea expressed by O. B. Worcester, Great American, that rather than the field men arranging meetings of local agents on war damage insurance it would be more effective for each field man to assume the responsibility of "talking up" war damage insurance at each agency visit. He said it is no hardship for the local agent to solicit this business, as he usually gets a more cordial reception from a customer when broaching the subject of war damage insurance than he gets when soliciting other lines.

A. H. Knight, Home, suggested that the field men inform the smaller building and loan associations throughout

the state of what the larger associations have done in the way of buying war damage insurance and charging the borrower or requesting the mortgagors to buy it. He said that one of the large associations in Chicago strongly urged its borrowers to buy war damage insurance and 94 percent did so.

An attractive plaque was displayed honoring the eight members who are now in military or naval service.

A. R. Rathslag, Fire Association, secretary of the Illinois State Fire Prevention Association, urged members to turn out for the inspection of DeKalb which will be held sometime in November and he also urged that the association actively support the farm fire protection movement that is fostered by the department of agriculture.

New Members Reported

Miss E. E. Edwards, reporting as secretary, named these new members: H. W. Cobb, Security of New Haven; F. J. Fraker, Hartford; H. E. Johnson, Fire Association; O. B. Perry, Emmco, C. W. Swazee, Home, L. F. Braman, a former member who has now returned to Illinois for Hartford Fire with headquarters in Dixon and A. F. Wilde, North America, who takes the place of F. A. Jettinghof, who was recently transferred to Denver.

Gas Rationing, War Damage Los Angeles Exchange Topics

LOS ANGELES—President Willson Pierce, Jr., of the Insurance Exchange of Los Angeles at its October meeting gave an extended report on the gas rationing. He enumerated the three classifications and said insurance men fall into Class B, as the business calls for additional use of their cars. He then outlined how the agent may obtain his "B" card. Mr. Pierce also gave a brief summary of the proceedings of the Chicago convention of the National association.

Plans for Washington Office

Harold G. McGee, former president of the exchange, outlined the operations of the Washington office of the National association. Harry Perk, Jr., National association executive committeeman, said that matter is to be discussed at the meeting of the committee in New York, Oct. 23.

Eugene Battles, insurance manager for Rowan & Co., gave a review of war damage insurance and urged all agents to keep this subject before the public and to sell the coverage just as vigorously now as was the case when the coverage first came out.

REAP THE HARVEST

Security Group agents are planting the seeds for their harvest when they use the MARCH OF SECURITY. They are reaping bumper crops with this newest visual method of selling insurance.



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OUR engineering surveys often help in the solving of plant fire protection problems.

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CHARTER OAK FIRE INSURANCE COMPANY
~HARTFORD, CONNECTICUT~

ONE OF THE TRAVELERS COMPANIES

Count on UNCLE SAM!



TODAY, WHEN AMERICA IS fighting for its life, America's industries are united in their determination to WIN THE WAR! That calls for the elimination of bottlenecks, costly delays and damages that may retard the production of vital war goods.

That's why it pays to take advantage of the wide experience of the Norwich Union Man! He knows how to provide adequate protection in the best interests of the nation's welfare!



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Making Hit with Oilburnerites

WORKSHEET FOR THE OILBURNERITE

If You Use Oil For Heating This Is Important to You

This WORKSHEET—designed to save you time and trouble in securing the total permissible floor area for your home under the OPA R-1100 form—is sent you by an insurance man, as an act of public service. That represents the only "commercial" in this four-page letter sized printed form. Then the worksheet tells the householder what to expect and shows on its first page a facsimile of the government application form OPA R-1100 which will be required for fuel oil rationing. Next, in four easy steps, the worksheet guides the oilburnerite through the task of recording dimensions and areas of permissible rooms in the manner required by the OPA. These steps are:

1. A check list of rooms to be included for the total permissible floor area.
2. A convenient chart indicating at a glance the areas of usual-sized rooms.
3. For irregular shaped rooms, cross-ruled scaled diagrams for easy sketching of such room outlines, so areas can be figured.
4. A simple recapitulation.

Since the government reserves the right to call for explanations of the figures, the worksheet is intended to be kept for references, after transferring the information to the government OPA R-1100 application form. The worksheet

USE THESE DIAGRAMS TO SKETCH IRREGULAR-SHAPED ROOMS
(See Step No. 3 on first page for details)

Diagram showing a room with dimensions and area calculation.

Save Time and Trouble When Measuring Your Home Here Are Four Simple Steps:

1. Take the TOTALS column on page 1 of this WORKSHEET and fill in the number of rooms in each category as shown in the diagram. This will give you the total number of rooms in your home.
2. Measure the length and width of each room in feet and inches. Round off the width to the nearest foot. Write down the length and width of each room in the column provided for this purpose.
3. For your irregularly shaped rooms, a new tool is helpful. It is a cross-ruled diagram which enables you to sketch the outline of the room. Then, by measuring the length and width of each room, you can figure the area of each room. Write down the area of each room in the column provided for this purpose.
4. Then add up the room areas in the TOTALS column of the WORKSHEET. This will give you the total area of your home.

TOTALS

Room	Length	Width	Area
Living Room			
Dining Room			
Kitchen			
Bathroom			
Bedroom			
Garage			
Other			
TOTAL			

CONVENIENT AREA CALCULATION TABLE

To find the area of a room, locate the length from the left of the Table and read across to the column showing the width. For rooms larger than 10 x 30 feet, multiply length by width in the ordinary manner. Do not use inches or fractions of feet.

(EXAMPLE) Suppose a room measures 17 feet and 9 inches by 9 feet and 9 inches. This is to be considered as 17 feet long by 9 feet wide, since fractions of feet do not count. The Table shows the answer at a glance: the area of this room would be 153 square feet.)

Length \ Width	3	4	5	6	7	8	9	10
3	9	12	15	18	21	24	27	30
4	12	16	20	24	28	32	36	40
5	15	20	25	30	35	40	45	50
6	18	24	30	36	42	48	54	60
7	21	28	35	42	49	56	63	70
8	24	32	40	48	56	64	72	80
9	27	36	45	54	63	72	81	90
10	30	40	50	60	70	80	90	100
11	33	44	55	66	77	88	99	110
12	36	48	60	72	84	96	108	120
13	39	52	65	78	91	104	117	130
14	42	56	70	84	98	112	126	140
15	45	60	75	90	105	120	135	150
16	48	64	80	96	112	128	144	160
17	51	68	85	102	119	136	153	168
18	54	72	90	108	126	144	162	180
19	57	76	95	114	133	152	171	190
20	60	80	100	120	140	160	180	200

Immediately following announcement of OPA fuel oil rationing many alert insurance men seized the opportunity to do a kind deed, not forgetting that oilburning householders are valuable clients and desirable insurance prospects. More than 1,500,000 oil burnerites in 30 rationed states soon must measure, calculate and record dimensions and areas of specified rooms in their homes. Insurance men have commenced mailing out, with their compliments, a new worksheet which has proved of distinct help to the oil user.

The first sentence of the worksheet reads "This worksheet—designed to save you time and trouble—is sent by an insurance man, as an act of public service." That represents the only "commercial" in this four-page letter sized printed form. Then the worksheet tells the householder what to expect and shows on its first page a facsimile of the government application form OPA R-1100 which will be required for fuel oil rationing. Next, in four easy steps, the worksheet guides the oilburnerite through the task of recording dimensions and areas of permissible rooms in the manner required by the OPA. These steps are:

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3. For irregular shaped rooms, cross-ruled scaled diagrams for easy sketching of such room outlines, so areas can be figured.
4. A simple recapitulation.

Since the government reserves the right to call for explanations of the figures, the worksheet is intended to be kept for references, after transferring the information to the government OPA R-1100 application form. The worksheet

sent out by insurance men is not a government form and those worksheets sent out during the next-to-last week of October should reach the oilburnerites in many cases before the OPA R-1100 form arrives (these government applications reach the householder via the fuel oil dealer together with a letter certifying past oil consumption). While the OPA has not publicly announced the exact dates, at present writing, it is believed that householders will send their applications to their local rationing boards during the final week of October, and that the ration coupons for fuel oil will be sent out early in November.

Worksheets may be obtained from the insurance advertising firm of Parker-Allston Associates, 116 John street, New York. They have been offered to the insurance industry at prices close to actual printing, handling and postage costs. "Householders Fuel Oil Rationing Worksheet" is the title of their copyrighted form available for immediate shipment, postpaid. In lots of 1,000 or more, the price is 2 cents each. In smaller lots, 500 to 1,000 @ 2½ cents; 100 copies for \$4; or a minimum shipment, 10 copies for \$1. The use of policy stickers by agents is recommended, rather than imprinting.

Two Big Fires in K. C., Kan.

KANSAS CITY, KAN.—Fire did an estimated \$45,000 damage to a 7-story brick building here formerly used as a cooling unit by the Morris Packing Company but recently occupied by the B & G Wrecking Company, which was uninsured. Last week also fire did \$35,000 damage to the Badger lumber yards at 18th street and Kansas avenue here, fully covered by insurance in Lumbermen's Mutual Underwriting Alliance, Kansas City.

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Fire Insurance Companies



The Phoenix
Insurance Company, Hartford, Conn.
1854

The Connecticut
Fire Insurance Company, Hartford, Conn.
1850

FOURTABLE
Fire & Marine Insurance Company
PROVIDENCE, R.I.
1859

ATLANTIC FIRE INSURANCE CO.
Raleigh, North Carolina

THE CENTRAL STATES FIRE INS. CO.
Wichita, Kansas

GREAT EASTERN FIRE INSURANCE CO.
White Plains, N. Y.

MINNEAPOLIS F. & M. INSURANCE CO.
Minneapolis, Minn.

RELIANCE INS. CO. OF CANADA
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All Forms of Fire and
Property Insurance including

Ocean and Inland Marine

Country-wide Brokerage Service

TIME TRIED & FIRE TESTED

Kansas Agents Hold Annual Muster

Many Ways to Offset Loss of Auto Business

Panel Discussion Develops Ideas for Holding Up Premium Volume

One of the features of the annual convention of the Kansas Association of Insurance Agents in Wichita was the panel discussion of what the agent is doing to conserve or replace his automobile business. The discussion developed some valuable suggestions and was participated in by Arch Blickenstaff, Oklahoma state agent of Firemen's of Newark; Harry Davis, Hutchinson; Evan Browne, Kansas City, and Seymour Drehmer, Dodge City.

Agents are going to have to do some real selling, Mr. Blickenstaff said. The peddlers and piddlers will fall by the way-side. Now is the time for agents to prepare themselves, before the situation actually becomes acute.

Most Agencies Are Anticipating

Has the average agent actually suffered the loss of any automobile business, or is he just anticipating? Are the really desirable risks being cancelled? These were two questions Mr. Browne asked. He also wanted to know whether agents are selling drive other car coverage. Now is a good time to educate assured to other forms of insurance, he said. One agent in a town of 30,000 sent out 200 letters of an informative nature on burglary losses, and the result was a good volume of burglary policies. In addition to these lines there is life insurance, blanket bonds, inland marine, etc. He advised agents to quit selling limited coverages, but rather to aim at the best coverage possible in any given insurance situation. If agents are having difficulty getting started on other live lines, Mr. Browne suggested, they use surveys to get started.

Automobile business is not showing any loss so far, Mr. Drehmer said. It is necessary nowadays to spend a little more time now on keeping assured sold on the insurance he is carrying. Mr. Drehmer likes to suggest to assured that he take insurance for three to five years, wherever possible. This is a hedge against possible imposition of a tax surcharge on policies during the war.

Hundreds of Insurance Lines

Now is certainly a very excellent time to sell fidelity bonds, Mr. Drehmer continued. This is one of the best opportunities the agent has for offsetting losses in other lines. There are hundreds of lines of insurance, and the agent should not give up because of loss on automobile business. His first job is to inform himself on the other lines, and then go out and talk about them. Practically any agency that has tried it has found that the medical payment endorsement sells very readily. Now is a good time to solicit some of the risks that are insured in mutuals, because mutuals are going to have difficulty getting around to see their customers. In some towns there is extra revenue for the agents from shops engaged in defense work. Today the

(CONTINUED ON PAGE 19)

Must Sell War Damage Insurance, Agents Warn

The selling of war damage insurance represents a serious obligation on the agent to carry out a job assumed by the insurance industry. This was the conclusion reached at the panel discussion of the coverage by agents at the convention of the Kansas Association of Insurance Agents. Fred W. Westervelt, Jr., assistant director of the Business Development Office, New York, presided, and Laurin W. Jones, Dodge City; Edwin S. Nellis, Topeka, and Cheney Prouty, Kansas City, participated.

Had the government offered this protection through some other source, Mr. Jones said, it would not have relinquished its position in the insurance business after the war. The agent should also remember that he can obtain other business when he is selling war damage protection. Many agents have asked why they should be particularly concerned with selling the insurance. That is the wrong attitude, he said.

Post Offices Might Sell It

If the English system had been adopted in this country, the agents would be completely out of the picture, Mr. Nellis pointed out. Certainly they would not want it merchandised through post offices.

Many assured object that there is no need for war damage insurance in the central part of the country, Mr. Westervelt said. Mr. Prouty pointed out that there is just as much chance of being bombed in the midwest as on the coasts, and possibly more so because of the lack of protection as compared with coastal defenses. The coverage is something like tornado insurance. The contingency insured against may happen at any time. It is extremely important, Mr. Prouty added, that each agent carry the insurance, and have his own policy with him to show to assured when he is making a sale.

Mr. Westervelt wanted to know why, if the middle west cannot be attacked, it has set up civil defense organizations.

Helps to Get Interviews

Some agents say that they will not make any money on war damage insurance, but Mr. Nellis pointed out that it provides an excellent opportunity to gain an interview. It brings up the question of values, and the man usually finds he is underinsured in many ways.

The agent can say to assured that he

doesn't care one way or another whether assured buys, it isn't going to help the agent. This is a good talking point, Mr. Westervelt said. The approach clearly indicates to assured that the agent is there to do a service without profit.

Taking the story of war damage insurance to every assured is the best opportunity the agent has had in years to prove to the government and public that he is an economic necessity, Mr. Jones said. He suggested that agents keep the names of those with whom they discuss war damage and the date.

Mr. Westervelt warned that the War Damage Corporation does not believe that all the people are being told about the protection. The agent is the closest to the buyer, and he should himself go to his customer and tell him. It is absolutely essential that the agents make good on the obligation they have assumed.

Still Overlook Aviation Cover

Agents are overlooking a good many opportunities in the aviation field, in spite of the emphasis on airplanes nowadays and declining automobile business, Herbert E. Somerville, U. S. Aviation Underwriters, Kansas City, told members of the Kansas Association of Insurance Agents.

Few agents now are writing the coverage. The reasons given by most agents for not doing so are that they do not know enough about the business, it does not pay enough, or there is not enough volume to fool with. Yet there are considerable opportunities in the line for the agent in towns from 200 to 10,000 people. During the past year all of the markets have made rapid strides in providing fairly good service to agents who want it, and today if an agent is interested, any of the markets is very willing to assist him.

Experience of One Agent

Only the agent who is not writing the business charges that the commissions are too low. It is profitable for the agent to spend his time on it, and agents writing it do not complain. With respect to the objection that there is not enough volume, Mr. Somerville said he has one agent in a town of 236 whose premium

(CONTINUED ON PAGE 32)

Large Attendance for Program of Practical Nature

Edwin S. Nellis Elected President, F. R. Fair Vice-President at Wichita

NEW OFFICERS ELECTED

President—Edwin S. Nellis, Topeka.
Vice-president—F. R. Fair, Mankato.
Secretary—Wade Patton, Hutchinson.

National Councillor—Victor G. Henry, Wichita.

New members executive committee—George A. McAnany, Kansas City, and C. B. Erskine, Cimarron, two years; George Stoskopf, Baxter Springs, and Urban C. Brown, Emporia, one year.

By W. A. SCANLON

WICHITA—In spite of adverse conditions, the annual convention of the Kansas Association of Insurance Agents here last week attracted more than 300. This is high, even for a state association noted for the very large representation



F. R. Fair



E. S. Nellis

of its members that turn out for the annual meeting.

The theme of the program was "practical practices for local agents in wartime," and this was carried out in a very able way by authorities in the various fields who appeared on the program. Much credit is due Victor G. Henry, Wichita, retiring president, under whose leadership the program was assembled and who directed it.

Able Men Move Up

Edwin S. Nellis, the new president, has been active in association affairs for several years. He heads the Nellis agency at Topeka, which was established by his grandfather in 1876. He has already proved himself a capable association leader.

F. R. Fair of Mankato, who was named vice-president, has spent 20 years in the Fair agency, which was founded by his grandfather, J. P. Fair, in 1893. J. P. was 99 years old last June 15, and while not active in the agency nowadays, he still takes an interest in the First National Bank there, of which he is chairman. He is also Kansas commander of the G. A. R. F. R. Fair graduated from Washburn College and then entered the agency. He is president of the First National Bank and member of the city council. He is vice-president of the civilian defense council and on the board of the chamber of commerce.

Victor G. Henry, Wichita, retiring president, was named national councillor



VICTOR G. HENRY, Wichita
Retiring President



WADE PATTON, Hutchinson
Secretary-Treasurer

and will serve as state director under the new National association setup. The title will be changed next year. Mr. Henry becomes chairman of the executive committee.

A resolution adopted called on the National association to establish a central public relations and advertising body, representative of the stock insurance industry which would thoroughly inform the public of the services of the National Board, Underwriters Laboratories, inspection service and safety organization work being done by engineers and inspectors of casualty companies and the inspection bureaus, and by the American agency system.

Other Resolutions Adopted

Because the present Kansas procedure and requirements for the filing of judicial personal surety bonds are inadequate, a resolution was adopted asking the legislative committee of the association to seek enactment of a state statutory provision patterned after that of New York.

The association pledged itself to cooperate wholeheartedly in the program to inform the public concerning war damage insurance. Agents serving in civilian defense work were commended, and the association approved the action taken by the National association at its Chicago convention.

The executive committee appointed a gas rationing committee which is to confer with the state rationing board. Alex Case, Marion, is chairman. Other members are George Withers, Clay Center; Don Zimmerman, Liberal; J. M. Powell, Iola; Raymond Budge, St. John; Don Ellis, Kansas City; Victor Henry, Wichita, and Charles G. Blakely, Jr., Topeka.

The convention got under way Wednesday at a joint luncheon of the Chamber of Commerce when Harry K. Rogers, fire prevention department of the Western Actuarial Bureau, Chicago, spoke on "Sabotage and Wartime Fire Defenses." About 350 attended, and W. H. Moore of the Central Adjusting Company, Wichita, acted as chairman. In the afternoon there was a clinic on "Wartime Plant Protection," at which about 50 plants were represented, and Mr. Rogers was discussion leader. Ewing B. Fergus, Kansas Inspection Bureau, was chairman. In the evening, with Mr. Fergus as master of ceremonies, a new Wichita fire station was dedicated. Mr. Rogers spoke.

Following President Henry's annual report Thursday morning, the convention heard George W. Scott, educational director of the National association. He said the National association's educational program is gaining momentum though it was adopted only a short while ago. It is flexible enough to meet the immediate needs of agents in all parts of the country. He thinks that by 1943 there will be study groups going in at least half the states.

Evan H. Browne, Kansas City, said he was sold on the group study course

which is not dominated by special agents as is the B. D. O. program. This is no reflection on the fine B. D. O. program, but agents do not loosen up as much when field men are out in force. Mr. Browne made the report for the educational committee of the association.

There followed the panel discussion on replacing automobile business that is being lost.

John W. Mitchell, claims attorney of U. S. F. & G. at Kansas City, discussed "Corporate Surety vs. Personal Surety."

There was a complimentary luncheon for insurance women and wives of agents Thursday noon, at which E. L. Stephenson, manager Associated Aviation Underwriters, Chicago, spoke, and two luncheon conferences, one of rural agents and one for local board officers. Mr. Scott made another appearance at the latter. The Wichita Association of Insurance Women and the Blue Goose auxiliary gave the women's luncheon, which was followed by bridge.

Rural Agents Luncheon

At the rural agents luncheon, where Alex Case, Marion, chairman of the National association's rural agents committee, presided, agents were urged to sell extended coverage to farmers. R. W. Forshay attended and said that he expects mutuals in Iowa to offer this coverage soon and that the stock companies no doubt will soon be providing it.

The coming gasoline rationing program is of worry to the farm agent today. He will have to make more use of the telephone and mail, it was brought out. Farm agents are hoping that they will be able to get "B" cards. The 4H scholarship program of the Farm Under-

writers Association was given enthusiastic praise. This is the first time that a lot of farmers have ever known that there were capital stock companies, it was said. The agents discussed the new farm schedule which had just been brought out in Kansas.

Urban C. Brown reported as chairman of the rural agents committee and said that with limited driving certain distances must be reduced.

R. K. Hill Gives Talk

Agents were urged to solicit wartime business interruption insurance by R. K. Hill, superintendent of the improved risk department of Springfield Fire & Marine, Chicago. Agents should not be afraid of it, and assured needs this coverage more than ever. Values have increased materially. There is opportunity for the selling the coverage in towns of all sizes.

Commissioner Hobbs discussed a number of factors in the Kansas insurance situation. He commented that where companies or agents use other than the filed or correct rates, the department feels a penalty should be imposed on both company and agent and that the business should then go to another carrier and agent.

In regard to automobile rates, he expressed the opinion that companies should not be permitted to make a filing retroactive to a certain date because then certain policyholders are discriminated against. If a filing is made retroactive, it must include all policies in force, he asserted.

Several specific questions on the new Kansas dwelling and household furniture forms were asked and answered at the

(CONTINUED ON PAGE 32)

Personal Jottings Gathered at the Kansas Agents Convention

Unable to attend the convention of the Kansas Association of Insurance Agents this year were Holmes Meade, Topeka, former president of the association, head of the Meade Investment Company, and president of National Reserve Life, and Sam H. Reynolds, Kansas City, who for some years was chairman of the legislative committee.

More than 400 attended the banquet. There were no set speeches. Victor Henry, Wichita, presided. He introduced the officers of the association, members of the executive committee, the convention committeemen, and Leona Suhm, head of the Wichita insurance women.

"Life in the Writem & Dropem Agency," a short skit put on by members of the Insurance Women of Wichita, went over very well. Those in the cast were Mrs. Marjorie Bowland, Leona Suhm, Lois Murphy, Maxine Ellis, Corine Wellle and Gale Gordon.

The Wichita morning paper was presented to each one attending the meeting, compliments of Fidelity & Deposit. Kansas City Fire & Marine again dis-

tributed a directory of the delegates and guests. President Morton T. Jones and Vice-president O. P. Rush attended.

The printed program was prepared and distributed by First Banccredit Corporation.

The Wichita association is celebrating its 20th anniversary.

Elmer C. Beezley, Wichita, was general chairman of the convention committees.

H. V. Schott and L. B. Brown headed the registration and program committee; Byron S. Chapell, publicity; C. J. Slawson, golf; J. H. Burns, Jr., and H. N. Fullington, entertainment; Berneeda Foulk, Leona Suhm and Mrs. John H. Burns, Jr., auxiliary of the Blue Goose; Dorth Coombs, banquet, and A. E. Small and C. K. Foote, reception.

The nominating committee was headed by Earl Hartley, Winfield.

Western Fire and Western Casualty were represented by E. H. Morrison, assistant secretary workmen's compensation department; C. C. Otto, assistant secretary, fire and allied lines; Gordon Fisher, Kansas City branch manager; F. C. Pearson, special agent, and L. A.

Tonnies, assistant secretary in charge of agencies.

The western department of Springfield Fire & Marine, Chicago, was represented by Roy E. Wessendorf, assistant

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Insurance Adjusters
WICHITA, KANSAS

OUR FACILITIES MEET TODAY'S REQUIREMENTS

Automobile, Compensation, Bonds, Inland Marine and Aviation

superintendent of agents, and R. K. Hill, superintendent improved risk department, who was on the program.

Frank J. Shields, marine manager National Union, Chicago, attended. He has been at the Kansas meetings for several years now and is well known among Kansas agents.

Wm. E. Woods, Ellsworth, probably the oldest local agent in Kansas in point of service, attended. He has represented the St. Paul Fire & Marine for 52 years.

James S. Helms, Topeka, recently appointed service office manager of Ohio Casualty, attended.

Hutchinson was well represented, with 11 agents and nine office women making the trip.

Among the visitors were J. Wiley Burden, assistant manager, and Roy B. Starks, underwriting superintendent Hartford Fire, Chicago.

Glenn E. Charlton, Lawrence, a former president of the association, attended with Mrs. Charlton.

J. C. Dulany, Oklahoma City, executive state agent of Sun and Mrs. Dulany were present. Mr. Dulany has a large acquaintance among the Kansas agents since he used to travel that field for many years.

J. C. Smith, secretary Travelers Indemnity, Hartford, stopped off on his way to the Pacific Coast.

Harold F. Kummerow, St. Louis marine superintendent of Home, was on hand for the sessions.

Especially printed memorandum books were distributed by the Western Insurance companies of Fort Scott, Kan.

O. G. Colwell, Topeka, president, and **L. B. Burt**, vice-president of Preferred Fire, attended.

James Campbell, Tulsa manager of the John G. Simmonds Company, mingled with Kansas agents. He was formerly associated with the Wheeler, Kelly & Hagney agency, Wichita.

Fireman's Fund Indemnity was represented by **Robert C. Polley**, assistant manager at Chicago.

Among those who won attendance prizes were **C. B. Erskine**, Cimarron, who took the grand prize, a \$25 war bond donated by Central Surety; **C. W. Bean**, state agent America Fore; **Raymond**

Budge and Mrs. Budge, St. John; **G. M. Montgomery**, Western Adjustment, Wichita, and **B. J. Weldon**, Wichita.

W. R. Kirk, agency superintendent of North British, Chicago, and **Philip V. Wilder**, New York inland marine special agent, were on hand.

James E. Guy, superintendent of the automobile department, and **H. E. Soward**, agency superintendent for general coverage and inland marine, **America Fore**, Chicago, were among the visitors.

Paul M. Britton, general agent of Fireman's Fund, Chicago, was present. He is a son of **Frank L. Britton**, Topeka, state agent, Corroon & Reynolds. **Frank L.**, who also attended, is one of the oldest Kansas field men in point of service.

The past presidents and state officers dinner was attended by the officers, **Sam F. Woolard**, life member; convention chairmen, **Elmer C. Beezley**, general, **Dorth A. Coombs**, banquet, and **A. E. Smoll**, reception; and the following past presidents: **Dwight Smith**, **C. G. Blakely, Jr.**, **Harry O. Tinklepaugh**, **Alex H. Case**, **Laurin W. Jones**, **F. A. Gould**, **James D. Gilmore**, **C. K. Foote**, **Victor Henry**, and **Will S. Thompson**. From outside the state were **R. W. Forshay**, **Anita, Ia.**; **George W. Scott**, New York, and **Fred W. Westervelt, Jr.**, New York. A number of agents and company men participated in the annual golf tournament on Wednesday.

The annual stag party on Wednesday was given by **Central States Fire**, and the golf prizes were presented at that time.

Mrs. Raymond L. Budge, wife of the St. John agent, was the only woman attending the rural agents' luncheon. Mr. Budge expects to enter military service soon so Mrs. Budge is learning all she can about the business. She won a \$5 door prize at the closing session. Mr. Budge also won one of the attendance prizes.

Carl Wolsoncroft, manager of the Kansas Compensation Rating Bureau, Topeka, was starting to Wichita to attend the Kansas convention when his wife was taken to the hospital. A 6-pound boy was born Thursday, their first child.

Officers and executive committeemen

of the Kansas association have set a fine example in participating in civilian defense. **Victor G. Henry**, Wichita, retiring president, is an air raid warden; **Edwin S. Nellis**, Topeka, new president, is an auxiliary fireman; **Secretary Wade Patton** is a member of the Hutchinson civilian defense council and first aid instructor; **Laurin Jones**, Dodge City, is school board coordinator and air raid warden; **Forrest Fair**, new vice-president is a member of the local civilian defense council. **Cheney Prouty**, Kansas City is an auxiliary policeman, and **Bruce Bentley**, Coffeyville, is a member of the selective service board and of the local civilian defense council.

Many Ways to Hold Auto Business

(CONTINUED FROM PAGE 17)

agent must dig a little harder to find business than he did in the old days, and this situation will become more true as time goes on.

Mr. Davis believes that much of the automobile business can be kept on the books. Wage earners are still the big majority of automobile owners, and only a small portion of them are buyers of insurance. However, the agent

must do whatever is necessary to reach them and sell them. The agent should keep in mind the point that all finance contracts now are maturing, which means that all the automobiles are paid for. The agent can find automobile business if he searches the bushes. It will take more effort, and it will call for selling, but it will pay dividends. However, as rates are reduced, the agent will have to go after other types of business. Actually, cancellations on automobile business so far have been far fewer than anticipated. He mentioned residence liability as one good line that can be sold. He suggested that dishonesty insurance is a better name than fidelity bond if the agent is going to try to sell more of them, which he should.

Mr. Browne said that he took snapshots of 50 houses as an approach to the sale of residence liability policies, and sold 41. Seven out of the 50 already carried it.

R. W. Forshay, Anita, Ia., past president National association, was elected an honorary life member of the Kansas association. **Clyde B. Smith**, Lansing, Mich., another past national president, also is an honorary life member. Others are **R. P. Cravens**, Salina agent, and **Sam Woolard**, Wichita, retired state agent Commercial Union.



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Chicago

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WICHITA, KANSAS

EDITORIAL COMMENT

Labels for Policies

COMMISSIONER HOBBS of Kansas raises an interesting issue in his order instructing the companies to discontinue the use of such labels on life insurance and accident and health contracts as "peerless," "acme," "leader," "victory," etc. Although some of the life insurance companies have created feature titles for their policies, for the most part it is the accident and health companies that have personified their contracts in this way. The practice is probably as old as the accident and health business. Lately there has been quite a wave of new titles of a war time and patriotic suggestion, with "victory" well in the lead.

The use of such titles in the accident and health business probably arises from the nature of the business itself. In the first place, accident and health insurance is a highly personal form of indemnity and hence perhaps the inclination to personify the contract and give it a special character and flavor by a label. That is not the main reason, however, for life insurance is also highly personal and the life insurance companies have not resorted extensively to the use of titles. It is probably more because it is difficult, if not impossible, to characterize the type of benefit provided under the various accident and health contracts in a simple phrase such as is possible, for instance, in the life insurance business by referring to ordinary life, 20-pay life, life income endowment, five year term, etc. There are so

many variations of coverage possible in the accident and health field that in order to describe any one particular contract it is necessary to repeat all the benefits contained therein. Accordingly, these various captions are devised which in themselves are meaningless but which become identified in the trade and are handy for reference purposes. We fail to see any evil in this practice.

Perhaps there are some marginal companies that have dreamed up titles of a deceptive nature but if so we should say that this is one of their least harmful deceptions. The usual title, however, has nothing deceptive about it, even though it may seem a little glamorous. There may even be some virtue in a title that suggests that the protection afforded is of an unusual variety, for it may cause the insurer to strive in its claim settlements and service to make the policy live up to its name.

We doubt that there is any more objection to giving a name to an insurance contract than there is to giving a name to a candy bar, bicycle, perambulator, automobile model or any other article of merchandise. If Mr. Hobbs runs across some name that appears to have been devised in a spirit of deception and to cause the prospect to believe that it contains benefits that it does not indeed contain, then we should think he could invite the president of such company to go to Topeka and have a talk with him about the matter.

Setting Higher Agency Standards

THE old subject of incompetent and unformed local agents arises especially when service giving agents meet. It came out in some of the talks and addresses at the National Association of Insurance Agents convention in Chicago. One is impressed by the fact that nearly all outside speakers such as prominent assured or managers of insurance departments of large corporations criticize the industry for allowing agents to write business where they do not know even the fundamentals.

A long step in advance would be for the companies to refuse to appoint agents that are seeking licenses solely to place business in which they are interested, in which their relatives are concerned or for some organization to which they belong. Some of the states are getting far more stringent in this regard and we commend them for it.

Perhaps by and large we can see that a certain number of service giving agents are found in every city or town

according to population. There are a number of hangers on who really do not get much of the important business. The incompetent agents are not interested in improving their status or in learning how to be of greater service to their policyholders. They are mere commission grabbers, poaching on the private preserves of regular service giving agents. This subject of appointing incompetent, unintelligent and non-service giving agents undoubtedly will be a factor when all the elements of fire insurance are put in the crucible and an analysis is made of the waste.

In rural communities it is oftentimes impossible for a full time agent to be found. That is, he must bolster up his income in other ways. The final analysis as to what kind of agents are needed will be found in their ability to diagnose the needs of customers and apply insurance contracts intelligently to cover these necessities. Perhaps the banker is the most desirable man for an agent in

a small town where he would not be in a city. After all it is service to policyholders and proper service that should be the test.

Importance of New Assumptions

IN his address before the American Life Convention in Chicago, W. B. Stout, president of the Stout Engineering Laboratories at Dearborn, Mich., spoke about the great progress that had been made in aviation, declaring that the strides in improvements had been made due to new assumptions. In our thinking, he said, we should always keep in mind the possibility of making new assumptions and therefore reaching new

conclusions. He warned his listeners against false assumptions. The great field of invention owes its life to new assumptions.

Sometimes we are prone to follow a groove, stick to it and fail to recognize other possibilities in our business. Advancement has been made to men of imagination and yet those who have their feet on the ground use good judgment in making new assumptions.

PERSONAL SIDE OF THE BUSINESS

Commissioner Hobbs of Kansas entered the insurance department 25 years ago, and department associates gave him a dinner in Topeka and presented him with an appropriate gift.

Arthur Piver, vice-president of the "Underwriters Report" of San Francisco, is taking final examinations for aviation instructor with the civilian aviation corps. He recently completed the required number of hours of solo flying. Mr. Piver has been flying for several years.

A. C. McCabe, retired state agent of National Union Fire, who has been summing around his old haunts in Cleveland, left for Florida last week where he will spend the winter at the Dallas Park hotel, Miami.

Henry G. McMillan of the McMillan & Co. agency, Knoxville, Tenn., and Mrs. McMillan traveled to Colorado Springs last week to attend the wedding of their son, Capt. Robert M. McMillan, formerly associated with the agency but now with the 89th infantry at Camp Carson, Colo., and Miss Marguerite Martin.

Ensign Paul C. Yankey, Jr., stationed at New London, Conn., as an instructor in the coast guard academy, son of Paul C. Yankey, Wichita local agent, with whom he was previously associated, is to be married soon to Miss Jean Wedell of Topeka.

DEATHS

Christian Dick, 81, one of Milwaukee's pioneer insurance agents, who retired many years ago, died at his home. One of his five brothers is Adolph Dick, president of the Dick & Reuteman agency.

Many insurance men attended the funeral services of Donald B. Lundsten, 48, manager insurance department of First Service Corporation, who died at Rochester, Minn., of paralysis. As insurance manager of First Service Corporation, Mr. Lundsten directed the insurance business of nearly 90 banks affiliated with First Bank Stock Corporation, Minneapolis.

Mr. Lundsten entered the banking business at Excelsior, Minn., where he developed a successful bank agency. In

1930 he was named to the position he held at the time of his death. Mr. Lundsten was active in several insurance organizations. He was a past president of the Insurance Club of Minneapolis and its first fall luncheon meeting was canceled so that members could attend the funeral.

Edwin M. Mosier, 68, Stillwater, Minn., local agent and city assessor, died there.

W. S. Audiss, Wisconsin state agent of the State of Pa. and senior partner of the local agency of Audiss, Bass & Laabs of Oshkosh, died suddenly at his home of heart attack. Mr. Audiss had been in the insurance business for more than 40 years, and is a past president of the Wisconsin Insurance Club and the Wisconsin Fire Underwriters Assn. He had been with the State of Pa. since 1919. A son, Richard, is serving with the armed forces in Australia.

On Oct. 6, Mr. Audiss had been in Milwaukee to attend the quarterly meeting of the Wisconsin Fire Underwriters Association and that evening was at the past presidents' dinner.

C. E. Beman, 73, Oskaloosa, Ia., local agent, died from a cerebral hemorrhage. He was also prominent in banking circles and served as president of the former Iowa National Fire of Des Moines for a short time before it was liquidated.

Mrs. Joe H. Jones, widow of the founder of the Jones Agency in Elgin, Ill., died. Her daughter, Hazel L. Jones, is now operating the agency.

Maj. John H. Howland, 72, for some 30 years, until his retirement in 1938, with the National Board of Fire Underwriters, died in New London, N. H. He was a native of New Bedford, Mass., and graduated from the Massachusetts Institute of Technology. Following his graduation he worked for some five years in Honolulu as superintendent of public works. He returned to Boston to specialize as a fire prevention engineer and also became known as a foremost authority on the installation of public water systems. He retired from his National Board work in 1938.

D. A. Warner, 53, well known local agent of Cincinnati, died of a heart attack while seated in his parked automobile near his home.

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PUBLISHED EVERY THURSDAY

Factory Association's Veteran Manager Dies



HENRY P. SMITH

Henry P. Smith, 59, Hartford, manager of the Factory Insurance Association, died suddenly. He had served the organization since December, 1899, and was its oldest employee in point of service.

Born in Hartford in 1883, and educated in that city, Mr. Smith began his long career with the FIA as an office boy, advanced to superintendent of the inspection department, then to assistant manager. He was appointed manager in 1926, and continued in that position until his death. He had spoken at many insurance gatherings throughout the eastern states.

Honorary pall bearers at the funeral included S. Minot Blake, J. K. Hooker, George C. Long, Jr., Gilbert Kingan, C. S. Kremer, Frank D. Layton, Charles P. Jervey, Esmond Ewing, John H. Vreeland, W. Ross McCain and W. T. Marchant of Hartford; Ivan Escott, Curtis W. Pierce, C. A. Nottingham, A. R. Phillips, Cecil Shallcross, B. M. Culver, John Kremer, Horace R. Grant and Howard P. Dunham of New York; and Paul B. Sommers, of Newark.

Among those attending the funeral services was H. A. Grider of Chicago, general manager of the Western Factory.

Funeral services will be held in Sioux City, Ia., Monday for **W. Fred Grandy, Sr.**, who died last week in his Palm Springs, Cal., home. While not in good health for some time, his illness had been thought serious only in the last 10 days, and improvement had been such that his son, Bill Grandy, Jr., had left his father to return to naval duty at San Francisco.

Mr. Grandy was one of the founders of the Iowa Association of Insurance Agents, and served as its second president in 1908. He had continued his activity in the business as president of the Grandy-Pratt agency, but for the last two years had spent much of his time in California. The agency is now under the management of Harry P. Pratt, who has also been active in association work in the national and as president of the Iowa association.

Mr. Grandy had become well known through his appointment as receiver for American Bonding & Casualty of Sioux City, when it failed about the time of the former war. He had so conducted the receivership that all of the claimants, except stockholders, were paid in full.

Williams Okla. Special Agent

Reid H. Williams has been named special agent in Oklahoma of National Surety Marine.

Hartford Boosts WDC Cover in National "Ads"

This week in "Time," "Newsweek" and certain other publications, Hartford Fire and Hartford Accident address in page space a warning to property owners who have not yet purchased war damage insurance. These companies are thus assisting in the sale of this coverage by supporting the activity of the insurance producers in their efforts to cooperate with the War Damage Corporation.

"You own a store in New Hampshire, a farm in Illinois or some furniture located in an apartment in California. It isn't a question of whether or not there is going to be a bombing or an invasion. The question is how you would be fixed without any insurance protection if there were one," the advertisement states.

"You don't buy fire insurance with the idea that there is going to be a fire, nor windstorm insurance with the idea that there is going to be a tornado, nor automobile liability insurance with the idea that you are going to injure someone with your car.

"If an attack comes, no one can say when or where it will come or what damage will result.

"It is a shorter distance by air from Tokio to Salt Lake City than from Tokio to San Diego.

"Two incendiary bombs might start a conflagration that your regular fire insurance policy wouldn't protect you against.

"Bombs don't always drop on their objectives. Planes crash wherever they happen to be put out of commission.

"Part of the strategy of attack is to do the unexpected. The unexpected might mean a raid on your city or town.

"The purpose of this advertisement is not to scare you but to tell you that war damage insurance is available—to warn that losses can not be paid unless you have an insurance contract. The way to get such a contract is to see an agent or broker. He will be glad to tell you all about it—will explain how little it costs. (You can insure a \$5,000 home for only \$5.) After a raid it will be too late!"

Guernsey Heads Buyers Group

R. D. Guernsey of Frederick Loeser & Co., Brooklyn, has been elected president of the Risk Research Institute. K. C. Bell, Chase National Bank, is first vice-president. H. I. Kleinhaus, National Retail Dry Goods Association, second vice-president; G. E. Rogers, Robert Gair Co., secretary; W. H. Palmer, Lowe Paper Co., treasurer.

James T. Healy, well known local agent at Houghton, Mich., who is special agent for Springfield F. & M. in the upper peninsula, has received a certificate of senior membership in the Society of Residential Appraisers. This is an international organization with headquarters in Chicago. For many years Mr. Healy has served as appraiser in northern Michigan for insurance companies, individuals and the HOLC.

Convention Dates

Oct. 15-16, Tennessee agents, Nashville.
Oct. 19-21, Ohio Agents, Columbus, Nell House.
Oct. 20-21, Massachusetts Agents, Worcester, Hotel Bancroft.
Oct. 22-23, Ontario Fire & Casualty Agents, Toronto, Royal York Hotel.
Oct. 21, Maine agents, Augusta, Augusta House.
Oct. 27-29, National Safety Congress, Chicago, Sherman Hotel.
Oct. 27-28, Indiana Agents Annual Meeting, Indianapolis, Claypool Hotel.
Oct. 28, New Hampshire Agents, Manchester, Carpenter Hotel.
Oct. 30, Maryland agents, Baltimore.
Nov. 5, Connecticut Agents, New Haven, Lawn Club.
Nov. 9-11, California Agents, Long Beach, Hilton Hotel.
Dec. 7-9, National Association of Insurance Commissioners, New York, Hotel Pennsylvania.



Target for October...!

THE PICTURE: The country is producing as never before.

That production needs protection. And that protection must extend not just to physical values, but to markets, labor supply, income, profits.

THE PLAN: For all P.F. & M. Agents the sales target for October will be "Manufacturers' Protection." To help them score more hits than misses, they will be coached and inspired by a kit-ful of planned and tested selling helps... one of which is called—The Fact Spotter—a sure-fire guide to meaty interviews.

If you would like to know more about the P. F. & M. plan of Organized Selling, let us know.



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ME? A HERO?

YES, YOU. Because you're taking these wartime shortages and restrictions with a grin . . . because you're buying War Bonds and Stamps 'til it hurts . . . and because you're working day and night for victory.

Of course your work . . . insurance . . . isn't as dramatic as building bombers and tanks. But

the plants that build those bombers, tanks and other war equipment depend on you for protection. That's why you're giving all you've got in order to meet the increased demands for coverage . . . why you're constantly studying today's complex insurance problems. Thanks to your unstinting efforts we'll *keep 'em covered.*

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The NATIONAL UNDERWRITER

October 15, 1942

CASUALTY AND SURETY SECTION

Page Twenty-three

Am. Auto Brings Out 'Little Comprehensive' Form

Links Personal Liability and Auto Coverages and Broadens Protection

The comprehensive personal liability and automobile policy that was announced by American Automobile this week introduces a number of new principles, which if they turn out to be popular, are likely to have an influence on the practices of other companies. This announcement came on the heels of the decision of American Automobile to reduce automobile P. L. rates from 10 to 25 percent throughout the country in non-rationed as well as rationed states.

The new contract is a three way optional policy. It may be used for providing the automobile casualty coverages, personal and residence liability or the automobile fire and theft coverages. An assured may get any one or all of these brackets of coverage in the one contract.

Rate Reductions Made

At the same time that this novel arrangement of coverage was introduced, American Automobile made a number of rate reductions in the personal liability field and has also broadened the coverage under its automobile third party and personal liability contracts. The management observes that the new comprehensive form may now be available in many cases for a total premium not exceeding that heretofore required for automobile coverages alone.

For the automobile third party coverages, a description of the insured automobile or automobiles is no longer required, although a description must be furnished for the fire and theft features.

Another innovation is the introduction of the "occurrence" basis in the insuring agreement instead of the former "caused by accident" stipulation. This means, for instance, that should the householder be held accountable for someone being subjected to exposure to illness in his home, the policy would cover and there would be no question but that food poisoning cases would fall on the insurer.

If dog liability insurance is desired, it may be had for a premium of \$2, regardless of the number of dogs that are owned. In the application the insured sets forth the number of dogs that he owns but the application is not made a part of the policy and he is automatically covered and not required to give notice if he acquires other dogs. The purpose of the question in the application as to the number of dogs is for the company to be able to avoid insuring the owner of a kennel.

Coverage is automatic for substitution
(CONTINUED ON PAGE 31)

Sues for Portion of Mutual's Surplus

Test is Made in Bay State of Directors' Discretion on Dividends

BOSTON—The Massachusetts supreme court has taken under advisement its decision in an equity suit against Liberty Mutual brought to determine whether a policyholder upon expiration of his policy in a mutual company has the right to an immediate share in the company's surplus, allegedly built up through excessive premiums. The same general issue is involved in a group of suits pending in federal court in Chicago against a number of mutual life companies.

Policyholder's Argument

The action is brought by the White Fuel Corporation which sought in hearings during the past week to maintain that it was entitled to share in the funds added to surplus of Liberty Mutual in the years from 1934 to 1939 during which time it was a policyholder in the company and during which time, the plaintiff maintained, the surplus rose from \$7,000,000 to over \$16,000,000.

Counsel for the policyholder contend that part of the surplus was policyholders' money which, when it was paid in, was known to be in excess of expected losses and expenses. The fund not having been exhausted by contingencies it should be paid back, at sometime, to policyholders who paid it in and not be left for the benefit of future policyholders. He also called attention to an early Massachusetts statute which required directors of mutual insurance companies to act every five years to pay former policyholders their share of profits which had been previously withheld to meet contingencies.

Looking to the Future

The tremendous increase in the Liberty Mutual surplus in the last decade, the brief alleges, was partly at the expense of present policyholders who had not been granted all they were entitled to in dividends. The directors, he maintained, intended to accumulate a surplus fund greater than necessary in order to "insure future policyholders against assessment." Moreover a large surplus would enable the company to pay dividends not earned on particular classes of business for the purpose of developing new business in such lines.

Counsel Damon E. Hall for Liberty Mutual argued the policyholders were entitled to share in the profits only to the extent that the directors voted dividends, and the White Fuel Co. was bound by the terms of its policy which gave all discretion to the directors.

The White Fuel Co., said Mr. Hall, had been paid dividends of \$14,000 on premiums of \$70,000, and he said the insured had perhaps been influenced to place its insurance with the company because of the existence of its large surplus and potential guarantee against assessment.

Quoting the legal limit of surpluses of mutual fire companies to 4 percent of the amount of insurance in force, counsel for Liberty brought out that his company had not yet reached this limit, in spite of the size of the surplus. The

Benefit Restoration in Pacific Mutual

Apportionment of \$1,800,000 Is 7 Percent of Non-Can Coverage Withheld in 1936

LOS ANGELES—President Asa V. Call of Pacific Mutual Life announces that \$1,800,000 to be applied toward the restoration of benefits under non-cancellable income policies had been authorized by the directors, with the approval of Commissioner Caminetti. This will amount to about 7 percent of the reduction in benefits that was made July 22, 1936.

The present authorization will be effective Dec. 31. It is contemplated that hereafter, subject to unusual and unforeseen conditions, the directors will once each year appropriate from current earnings additional sums to be applied further to augment benefit payments until ultimate and complete restoration has been effected.

Mr. Caminetti said this is a tangible demonstration of the soundness of the basic plan which the company is following, and is a splendid tribute to the constructive vision of those who conceived and approved the plan.

Caminetti Makes Comment

"This department in conjunction with the insurance departments of a number of other states has conducted two comprehensive convention examinations of the company's affairs, and in addition, we have had the benefit of careful studies made by several independent actuaries of national repute. From these exhaustive reports it has been determined that most satisfactory progress is being made by the company, and that a start toward restoration of benefits is warranted at this time."

Following completion of the convention examination Mr. Caminetti Aug. 25 named Harold P. Benjamin, deputy commissioner; William Schliepp, supervising examiner, and Prof. A. N. Mowbray, actuary, all of the insurance department, and Vice-president William Breiby of Pacific Mutual as a committee to study the examination report and report as to advisability of proceeding with the non-can provision of the rehabilitation agreement. This committee concluded its work some days ago, and the action announced by President Call followed.

N. Y. Federation's Plans Changed

NEW YORK—Because of the marked interest in the annual luncheon and meeting of the Insurance Federation of New York here Oct. 16, it has been necessary to change the place from the Hotel Pennsylvania to large quarters in the Hotel Astor.

company, moreover, was subject at all times to possible investment losses and had met just such losses to the extent of 3 millions of dollars in the past two years. There were minimum requirements set by statute to write certain classes of business; in one alone, fidelity bonds, in which a surplus of 2 millions was required.

Bureau People Ponder Auto Rates Anew

Action of American Automobile May Cause New Decision to Be Made

The National Bureau of Casualty & Surety Underwriters is dismayed and incensed by the action of American Automobile in making an automobile rate reduction applicable to non-rationed as well as rationed states and there is considerable sentiment on the part of leaders of bureau companies to meet that competition and perhaps even go farther. The stock and mutual bureau companies that have been conferring with the commissioners of the rationed states formulated a program that was definitely linked to gasoline rationing. They agreed to give a reduction of 20 percent to those holding A gasoline cards and 10 percent to the B and C cardholders in the rationed states. It was taken for granted that similar reductions would be applied in the other states when gasoline rationing is placed on a national basis. The action of the American Automobile in the non-rationed territory has been decidedly embarrassing.

Members of the bureau held a meeting in New York Friday to discuss the situation created by the American Automobile action and another meeting is being held there Thursday at which some counter action may be decided upon.

The company representatives, in negotiating with the commissioners, conceded that gasoline rationing and the 35 mile national speed limit were factors of a favorable nature but they also contended that there were unpredictable situations related to the war situation that might cause an increase in accidents. They insisted that the reduction which they were willing to give was all that they could afford to do at this time. Accordingly it would be very embarrassing for the bureau companies to have to give a larger reduction than that and have it apply even in the non-rationed states.

CUT BY SIX CARRIERS

LANSING, MICH.—A group of 20 representatives of automobile insurers at a meeting here decided to reduce auto P.L. rates approximately 20 percent as of Oct. 15. The rate revision will be made on an individual basis, as each carrier has its own rating set-up and coverages and rates are far from identical. The meeting, called by Harvey Fineout, secretary of Wolverine, brought together spokesmen for six companies.

It was conceded that adoption of the 35-mile-per-hour speed limit and the early imposition of gasoline rationing

(CONTINUED ON PAGE 32)

Flying Schools Buy Cover for Pilots

Used as Inducement in Bidding for Instructors, Now Scarce

NEW YORK—Aviation underwriters have been experiencing a decided increase in the demand for pilot accident insurance under an employers indemnity form from civilian flying schools that are instructing army and navy aviation cadets and those in the CPT program. The jump in demand began to be noticed about a month ago and has continued at an increasing pace since then.

The policy enables the flying school to provide substantial accidental death benefits for its personnel, particularly its flying instructors, in the event of death or dismemberment. The employer, however, cannot be the beneficiary. Apparently the sudden rise in demand for the coverage is due to the scarcity of good instructors. It has long been purchased by aircraft manufacturers, so there is no new demand from that quarter.

Another factor in the increased demand is undoubtedly the fact that the flying schools are making enough money to take care of a substantial share of the premium, the remainder being paid by the instructors themselves. As an inducement in hiring and retaining pilots as instructors it seems that a \$5,000 death and dismemberment benefit looms larger than would the amount of the premium if added to the pay envelope. Another inducement from the employer's point of view is that his contribution is deductible as a business expense in figuring income and excess profits taxes. Hence, the insurance may represent very little money actually out of pocket.

Lack of any great volume of experience with flying schools makes it difficult to arrive at a rate based on experience alone. The rates originally promulgated were about \$11 a year for each \$1,000 of coverage but the greatly increased amount of flying required of instructors, plus the increase in hazard due to more advanced acrobatics have made higher rates advisable. Today the rate is generally higher and varies according to the nature of the insured's operations.

The usual amount is \$5,000 for each pilot. While the benefits can be had running as high as \$10,000 the insurers will write these contracts only where the benefit is the same for all pilots covered, whether the amount is \$1,000 or \$10,000. The benefits are of course in addition to workmen's compensation, which is required in nearly every state.

While the typical airplane pilot is not given to morbid contemplation of the perils of his work, he is well aware of the increased hazards resulting from the greater number of flying hours he now has to work and the more advanced type of instruction. Underwriters estimate that the hazard is probably about four times as great as it used to be. Moreover, the average pilot hasn't much life insurance and the life companies have become much stricter about aviation risks since the United States entered the war. The employers indemnity method of obtaining accident insurance is also attractive to the pilot in that his contribution to the premium is deducted from his pay and hence the outlay is as painless as possible. Ordinarily the premium is shared by the pilots and the flying school. The underwriters require that at least 75 percent of the pilots be covered.

J. P. Gibson, vice-president and secretary of Excess, bagged a moose and a deer on a 10-day hunting and fishing trip in the Lake St. John country, Can. Another member of the party was John Loomis, Glens Falls, N. Y., insurance man.

Social Security Expansion Move Expected Soon

WASHINGTON—President Roosevelt will submit to Congress "a comprehensive program for expanding and extending the whole social security system" along lines laid down in his budget message last January as soon as the new federal tax bill is out of the way. The program, the President says, will involve substantial increases in the rates of taxes on payrolls for old-age retirement benefits, and at the same time, is intended to set up anti-inflationary checks on the mounting totals of wage payments.

In Treasury circles it is indicated that the President may call for increases up to 6 to 12 percent in the amount of social security deductions.

Announcement of the President's intention was made in a letter which he sent to Senator George, chairman of the senate finance committee, asking that the amendment of Senator Vandenberg, which would "freeze" the social security taxes at 1 percent in 1943, be stricken from the tax bill. The provision would negate the provision in the existing law by which the rate would automatically rise to 2 percent on Jan. 1.

Rejects President's Request

The Senate rejected the President's request by a vote of 50 to 35, and adopted the Vandenberg amendment.

"The financial obligations which will have to be met in paying benefits amply justify the increase in rates," the President told Senator George. "A failure to allow the scheduled increase in rates to take place under present favorable circumstances would cause a real and justifiable fear that adequate funds will not be accumulated to meet the heavy obligations of the future and that the claim for benefits accruing under the present law may be jeopardized."

Vandenberg's amendment, the President continued, was causing considerable concern among persons insured under the old age and survivors' insurance plan. He emphasized the effect which higher payroll taxes might be expected to exert in checking inflationary trends. He said the original schedule of contributions had been departed from in 1939, in a season of under-employment, which no longer exists.

"There is certainly no sound reason," the President continued, "for departing again under present circumstances. Both employment and the income from which contributions are made are at a very high point—the highest since the inauguration of the system."

"The increase in rates at the present time is not only in accord with the necessities of the social security system itself, but at the same time would contribute to the non-inflationary financing of the rapidly mounting war expenditures. The accumulation of additional contributions would be invested in United States government securities and would thereby assist in financing the war."

In announcing his intention to seek expansion and extension of the social security system, he said:

"This is one case in which social and fiscal objectives, war and post-war aims, are in full accord. Expanded social security, together with other fiscal measures, would set up a bulwark of economic security for the people now and after the war and at the same time would provide anti-inflationary sources for financing the war."

Plans for expansion of the social security act, which are now before the President, include a combination of all social insurance programs into a federal system, with the virtual elimination of all state participation, which is generally known as "dollar-matching." Into the one big unit would go old age retire-

West Virginia's Sims Brandishes Very Big Stick

Commissioner Sims of West Virginia, in an open letter to the health and accident insurance industry, brandishes an uncommonly big stick. Unless the health and accident people get together and sponsor a bill in West Virginia providing for the type of regulation of the business that Mr. Sims desires, he will recommend at the forthcoming session of the legislature repeal of all health and accident statutes in the state and "prohibit the sale of this type of insurance henceforth and evermore."

Mr. Sims asked that the health and accident people appoint a committee to prepare for revising and modernizing the statutes "so that the people in West Virginia can be furnished with economically sound insurance, and so the insurance department will have a legal instrumentality through which this type of business can be properly and legally regulated and so that the horse and buggy days of the health and accident business can be forgotten and a new law enacted which will envisage a new era in health and accident insurance comparable to the modernized basis of other types of insurance such as fire, life, casualty, etc."

Mr. Sims recalled that in 1934 at the instance of the department, health and accident business drafted the standard provisions law which was passed. Again in 1938 the A. & H. interests at the instance of the department prepared group health and accident legislation and this also was enacted.

The commissioner states that these laws have proved to be totally and wholly inadequate to meet the requirements. The standard provisions law, he declared, was designed about 30 years ago and was agreed upon by only a small minority of the men who worked on it. It is ambiguous, obsolete and impossible of definition, he alleges.

Mr. Sims' charges appear to be so generalized that it is difficult to understand exactly what he is driving at.

Liberty Mutual O.K.'s Tax Bill

BOSTON—Liberty Mutual, which recently sent out letters calling on all its policyholders to write their senators and congressmen to oppose the original house bill taxing mutuals, is completely satisfied with the bill as amended and adopted by the senate, and will not oppose the bill.

Mrs. Monley With Travelers

Mrs. Fred Monley, who was formerly reporter for the Bismarck, N. D., "Tribune," is joining the publicity department of Travelers. Five members of that department are already in uniform. Mrs. Monley's husband is connected with the Life Insurance Sales Research Bureau in Hartford.

ment, survivors' benefits, unemployment compensation and employment placement services.

Treasury officials in looking over the proposal are inclined to create a single pool fund for the multiple insurance, into which would go the reserves and trust funds for old age retirement, unemployment compensation and temporary disability, as well as the railway retirement fund and possibly veterans' insurance. The plan would have employees share the cost almost equally with employers for unemployment compensation, as well as costs of other contemplated new phases in social gains, including group hospitalization.

Total reserves for unemployment compensation on deposit in the Treasury stand at \$3,000,000,000, while the old age and survivors' insurance fund has more than \$3,400,000,000 additional. The railroad retirement funds, and other such funds are in addition to these sums.

If Accident-Health Men Don't Do Job, U. S. Will: Packwood

"Accident and health insurance has a duty to do today as the protector of American income earners," F. Glenn Packwood, Kansas City manager of Massachusetts Bonding and member of the executive board of the National Association of Accident & Health Underwriters, declared in addressing the Wichita Association of Accident & Health Underwriters.



F. G. Packwood

"The government wants you to do this job, because it has its hands too full with other war problems," Mr. Packwood said. "But the protection of American workers is so vital that Uncle Sam will undoubtedly protect them with government insurance or control if you do not do the job well."

New Employees Balance Service Men

In a survey of the manpower or prospect field, he cited estimates that there will be 12,000,000 more people employed this year than there were last. This counterbalances those going into the armed forces so that after all the prospect field remains close to the 51,000,000 mark of last year. Therefore, there is no need to be discouraged because so many good prospects and clients are going into service.

Taking up the surplus income or buying field, as a result of rationing along various lines and the withdrawal of "consumer spending" articles from the market, he pointed out that for the year ending in June, 1940, the amount of savings or surplus income was \$7,000,000,000; for 1941, \$8,400,000,000; for 1942, \$19,000,000,000, while for the year ending next June it is estimated at \$11,200,000,000.

Farmers' income has jumped from \$8,700,000,000 in 1930 to \$15,100,000,000 for the fiscal year ending June 3, and thought should be given to this field.

Why U. S. May Take Over

Stressing the fact that we are in total war, he said that means "that we must adequately insure America's wage earners, or Uncle Sam may take over the job," and for three good reasons:

"1. The government must have present income to pay last year's and this year's earned income tax, because this is our most expensive war.

"2. Uncle Sam's wage earners must buy lots of war bonds, which purchases must not be curtailed by living and disability expenses incurred during periods of accident or illness, when income stops, unless adequately insured.

"3. Uncle Sam's armed services will have so many cases of illness and injury that we cannot blame our good uncle for having indicated to us that if we do not take care of the home folks, and their disability losses become an addition to his military disabilities burden, the government should and must take over our job if we fail.

"We dare not fail to do our full duty in these months of our nation's greatest peril and its greatest need by immediately preparing to adequately insure America's wage income."

He expressed confidence that government insurance need not be feared, "except to whatever extent we fear that we are not capable to accomplish our project." He said that "reasonable time" for such accomplishment means 1942 and 1943. "During that period we will master this situation or it will have mastered us." It is no longer possible to think of getting the job properly done ten years hence.

War Boosts Sales of Excess Coverage to Self-Insurers

Heavier Taxes and Fear of Shock Losses Are Main Factors

NEW YORK—Wartime conditions have caused a marked increase in the demand for direct excess coverage from self-insurers, partly because of the fear of greatly increased catastrophe hazards and partly because drastically higher income and excess profits taxes on corporations make it possible to buy excess coverage at a relatively small out-of-pocket expense.

There has been some tendency, due to the same causes, for self-insurers to shift to full coverage. Some of these, however, had no catastrophe coverage and hence their dropping of self-insurance represents no drop in the amount of excess coverage. Even taking account of the loss of business due to self-insurers dropping excess coverage on swinging over to full coverage, there has been a big increase in excess writings. Allowing for the increase in direct excess premiums due to increased payrolls the rise in premiums is probably in the neighborhood of 25 percent.

Causes Are Unpredictable

Workmen's compensation is the main line on which direct excess coverage is bought. Employers seem to realize that when conditions are radically altered, as they are during wartime, catastrophe hazards arise from all sorts of unpredictable causes. Until these causes make themselves known, sometimes through very costly experience, it is impossible or at least difficult to guard against them. For example, not long ago a Curtiss-Wright plane caught fire while being flight tested and crashed into the factory, causing a number of deaths of employees.

It requires no imagination on an employer's part to realize that a similar accident could happen to his plant. Self-insurers are also concerned about possible shock losses due to sabotage, errors made by green help, and the changed conditions under which the plant is operating as compared with peacetime. Fatigue among employees working long hours at top speed is another possible source of accidents which might reach catastrophic proportions.

New Accounting Officers

In view of the fact that Fred H. Eyer of General American Life has joined the McDonald Aircraft Corporation in St. Louis his position as president of the Insurance Accounting & Statistical Association has been taken by L. R. Menagh, controller of Prudential. He has been vice-president. Earle Wilkins, St. Louis manager of Joseph Froggatt & Co., is the new vice-president and G. T. Westwood, assistant secretary of American Automobile, becomes director of research, the office that was held by Mr. Wilkins.

Surety Men Contractors' Guests

LOS ANGELES—Surety underwriters from all the companies having offices in Los Angeles were among the guests at the annual banquet of the Associated General Contractors. The principal speaker was a representative of the United States engineers, who gave the contractors and surety men some facts relative to government contracts for the future.

Important Role of Group Hospitalization Reviewed

The important part that group hospitalization is playing and can play today was reviewed by Charles B. Macdonell, group representative of Zurich, at the meeting this week of the Chicago Accident & Health Association. He stressed very strongly that the business as a whole is on the spot today and will have to do a good job in order to head off government action. In that connection he mentioned the fact that various polls and surveys have shown a very favorable reaction toward the way the Bell Telephone Company is conducting its business, and said that it had sold itself to the public by its service.

Three Points to Consider

He mentioned three points that should be considered particularly in connection with group hospitalization. The first is that it is needed. He cited government figures to the effect that more than 50 percent of the families in the United States today are in debt to loan sharks and that in half of these cases it was due to sickness, hospitalization or surgery. The workers in a big plant have a different need and therefore there must be a different attitude and a different appeal in approaching them than in the case of the average individual prospect.

His second point was the popularity of this form of coverage. He said that is not necessarily a reason for writing it, but it certainly does help the salesman. In some cases it may have been over-dramatized and an artificial demand worked up, but there are unquestionably many cases where a person who has been under group coverage has gone to another plant and started the heaven to working there.

Greater Appeal to Employer

There is also greater appeal today to the employer, who feels that if he is going to be in the 60 percent tax bracket anyway, he might as well take advantage of possible deductions along this line. Furthermore, with concerns having cost-plus contracts for the government, the group insurance premiums can be included as part of the cost. He said there might be some question about allowing the employer to make a 10 percent profit, or whatever it is, on this group premium, but that is not a matter for the sales department to worry about.

In the third place, it is definitely an insurable hazard. Insurance is intended to care for a catastrophe loss, which the individual is unable to bear himself. Hospitalization gives the average man a

bigger wallop than almost any other form of catastrophe and he naturally asks: "What have you to protect me?" Including surgical costs, which are now in from 50 to 60 percent of group contracts, the bill may run up to \$250 or \$300, and the average worker simply is not prepared for anything like that.

Important to Have Suit Fit

He said the hospitals should be given full credit for the promotion of this form of coverage. They naturally wanted some way to be assured of the payment of their bills. The plans for hospital care have pioneered in this field, but he contended that there are enough differences in the coverage so that insurance can say that it has the real answer.

He insisted that in getting a suit of clothes the important thing is to have it fit, rather than have it built to a price. The same is true of insurance coverage. The primary consideration should be to meet the needs of the public. If the higher type of prospect wants to buy a policy with certain exceptions in it, he probably realizes what they are, but that is not true of the factory worker and when he finds that his claim is not covered, he thinks that insurance is all bunk. He urged "selling the most liberal type of policies that we can."

In that connection he declared that individual hospitalization policies probably have done more harm than good, because of the limitations which have to be in them in order to sell at the rate at which they are written.

"Sell a raincoat that doesn't leak," he urged.

Lively Controversy Started

This naturally started a lively controversy. Pointing out that there are hundreds of thousands of workers who are not eligible for group coverage, other members of the association insisted that it is better for a man to have a leaky raincoat than none at all, if he can't afford anything better. The necessary differences between the underwriting of individual and group business in the matter of selection also were pointed out and the exclusion of existing conditions, which Mr. Macdonell had criticized rather strongly, was defended as an underwriting necessity in writing individual business.

There was a general agreement that something must be done to extend the spread of accident and health and hospitalization coverage more widely than at present.

Authority Given to Agent in Air Pilot Claims

NEW YORK—To handle claims speedily despite curtailed personnel, Aero Insurance Underwriters is giving agents more authority in the handling of claims arising under accident and sickness coverage on civilian pilot training students. Aero has asked agents handling CPT coverage to read the insurance contract carefully so as to know when losses are reported whether they are covered and thus save the agency and the Aero home office a great deal of trouble by pointing out to claimants those claims which are not covered by the policy.

Agents have been furnished with a specimen policy, and a preliminary loss form to be forwarded to Aero by the agent, the coordinator, the flight contractor or any person connected with scholastic institution or the flying school who has direct knowledge of any

had been unjustly paid, but by another who obtained no benefit from it.

The name and address given on the money orders proved to be fictitious.

Fear Overcrowding May Boost Bus Liability Claims

Restrictions on Private Driving Increase Number of Standing Passengers

NEW YORK—While automobile liability rates are being reduced because of lessened driving, many underwriters feel that the hazards of bus line operations have increased and will continue to a point where there may be a marked increase in losses from claims arising out of passengers' injuries and deaths.

In the gasoline rationing areas overcrowding of buses has already resulted from the curtailed driving of private cars. As the draft and industry's need for manpower extends it will be necessary to replace many young, able-bodied bus drivers with older, less experienced men with reflexes and muscular coordination considerably below the standards ordinarily required. So far the rubber shortage has not seriously affected bus lines but war needs will come first even if buses have to run on thin tires. Offsetting this to some extent, the nationwide 35-mile speed limit should keep most blowouts from resulting in serious accidents.

From an insurance point of view, the situation is helped somewhat by the fact that most bus insurance is based on revenue and crowding of buses means greater revenue. Unfortunately, however, the increase in bus passengers consists largely of standees, who represent a much greater liability hazard than seated passengers. Rates are based on a normal percentage of standees to seated passengers and the experience might be quite different if the percentage of standees is disproportionately large.

Another factor which may make itself felt as rising prices depress the value of the dollar is that juries might tend to award higher verdicts. In this connection one attorney pointed out that with so many men serving in the armed forces or urgently needed at their jobs in war plants, there will be a tendency for more women to serve on juries, with a consequent possibility that they may be more swayed by sympathy for the plaintiff than would an all-male jury or one with a preponderance of men.

Propose Compulsory Bill in Iowa

DES MOINES—The governor's traffic safety commission has recommended a law requiring all Iowa motor vehicle owners, upon applying for license, to show \$2,500 financial responsibility or insurance to guarantee the safe operation of their automobile. The legislature convenes next January.

injury or sickness suffered by students. It is important that the report be given in as much detail as possible. Agents have also been supplied a statement form for the institution or flight contractor to fill out. This statement should accompany or immediately follow the preliminary loss form. A supply of both types of forms should be put in the hands of the coordinator and the flight contractor. If the claim is small settlement could be made on these forms alone if the doctor's, hospital's or nurse's bill accompanies it.

Aero's procedure is standard practice in many other lines of insurance but has not previously been used in aviation because of the specialized character of aviation coverage.

ACCIDENT AND HEALTH

Murphy vs. Travelers Case Is Reargued in Nebraska

LINCOLN, NEB.—Reargument of the Murphy vs. Travelers case, the decision in which was attacked by the American Life Convention, eight leading casualty companies and two accident and health companies, was heard by the Nebraska supreme court and taken under advisement. Murphy, a dentist, was awarded recovery on two accident policies for the loss of use of a hand caused by long-continued employment of an x-ray machine in the treatment of patients.

The previous decision of the court was that this constituted an accident. Attorneys for the A.L.C. argued that the court erred in holding that total disability exists from the date of the accident within the meaning of the policy, when it results within the time required by the processes of nature for the injury to produce the effect. They said that this destroys the distinction between natural and accidental death within the meaning of policies containing double indemnity provisions, and that the same condition is true of the construction of what constitutes total disability. Attorneys for other companies alleged that the decision had the effect of making a new contract between the parties.

Joint Meeting in Portland

PORTLAND, ORE.—The Portland Accident & Health Managers Club and Portland Life Managers Club held a joint dinner meeting to meet and hear John M. Powell, president, and W. B. Cornett, vice-president of Loyal Protective Life.

A. E. Gravengaard, Bankers Life, president of the Life Managers Association, and J. E. Berry, Occidental Life, president of the Accident & Health Managers Club, were hosts.

Improvement in Health Record

The first quarter of 1942 disability among industrial workers showed a decrease, 121.3 male workers per 1,000 being disabled for eight days or more from sickness and nonindustrial injuries on an annual basis compared to 139.7 in 1941 and 134.8 in 1940, according to the U. S. Public Health Service. Non-industrial injuries showed a slight increase over 1941, being 11.9 per 7,000 compared to 11.6 last year and 12.6 in 1940. Disability from influenza and grippe was cut in half in 1942 compared to 1941, being 24.5 in 1942, 51.1 in 1941 and 39.4 in 1940. Disability from pneumonia was up 22 percent in 1942 and bronchitis 16 percent.

Denver Has Sales Course

DENVER—At this week's meeting of the Denver Accident & Health Underwriters Association, A. J. Becker, chief air raid warden of Denver, spoke on "Will Denver Be Bombed?"

The association is conducting a sales course for its members, with 31 enrolled. Sessions are being held each Monday morning for 12 weeks. W. J. McGettigan, manager of the accident and health department of Security Life & Accident, is dean of the school.

Okla. Association Opens Season

OKLAHOMA CITY—The Oklahoma Accident & Health Association opened its season with a luncheon meeting at which Clarence W. Cameron, general agent of North American Accident, association president, talked on "How I Sell Accident and Health Insurance."

Back Up Economics Society

SAN FRANCISCO—At the October meeting of the Accident & Health Managers Club, it was voted to join the Insurance Economics Society after Herman Lundy, Continental Casualty, presi-

dent, had explained its purposes and the need for a unified national organization to combat the threat of government invasion of the field. A check for \$50 will be sent for the 50 members of the club.

Plans for the coming sales congress Oct. 23 were discussed and the program submitted.

Change Ohio Meeting Dates

The Ohio Association of Accident & Health Underwriters will hold its annual

meeting in Columbus Oct. 30, instead of Oct. 31, as previously announced.

C. A. Sholl, general chairman, and E. W. Welton, assistant chairman, have approved Erwin Hoffman, manager Metropolitan Life, as chairman of attendance committee, and Sherman Henderson, manager Continental Casualty, has been given charge of luncheon tickets.

New A. & H. Book for Prospects

The educational committee of the National Association of Accident & Health Underwriters has just released the proposed manuscript of a 64-page

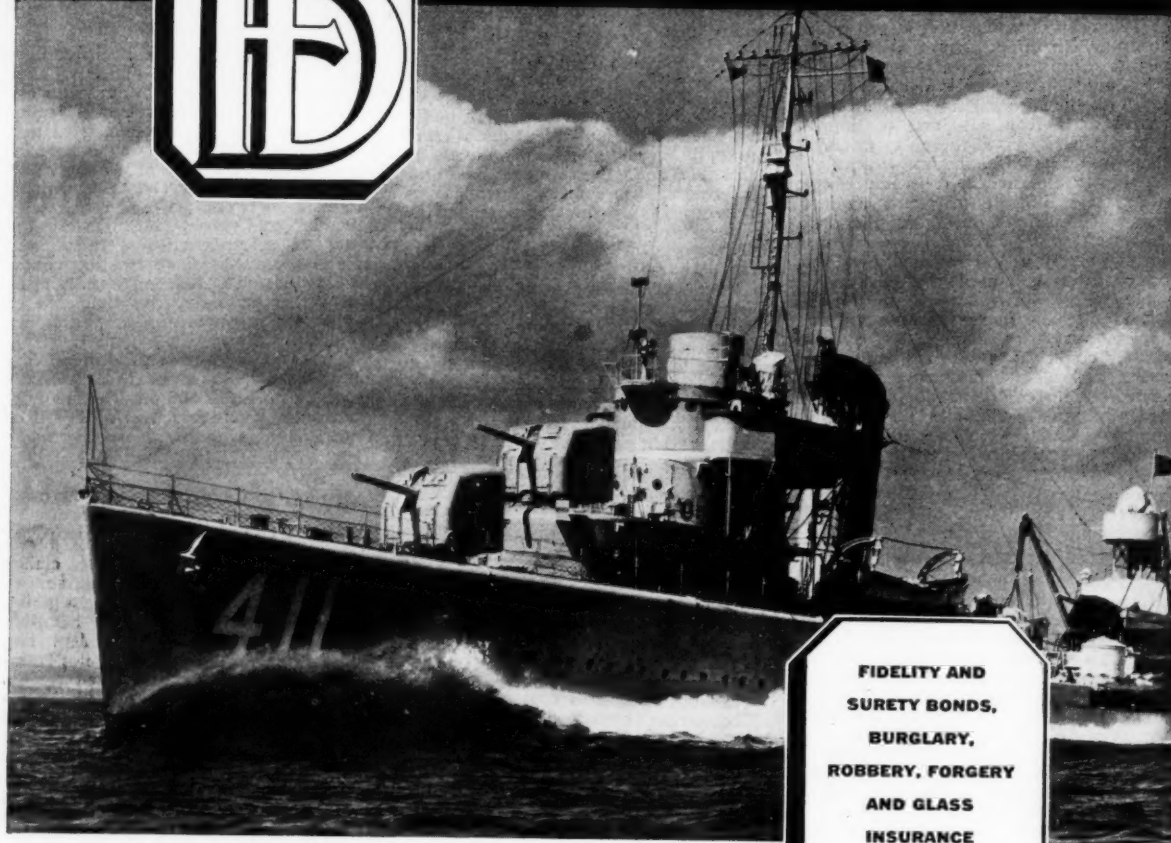
book entitled "Bedside Money," for use with prospects, which tells the story of accident and health insurance in a simple, fascinating style that should make it of interest to every prospect.

Reliance Life Uses Rider

The Reliance Life has arranged to add a rider to its "perfect protection" policy covering non-occupational accidents. The rider will only be issued to risks classified 3 and higher. Certain occupations in the latter group such as farmers, other agricultural workers and domestic servants will not be eligible because of the difficulty in determining whether the

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injury is occupational or non-occupational. The limits will be \$5,000 accidental death, \$100 monthly indemnity and \$1,000 medical reimbursement. Non-occupational insurance is primarily designed for the industrial employee who is covered by workmen's compensation while engaged in his occupational duties.

Two Divisions Combined

The underwriting and claim divisions of the accident and health department of Illinois Bankers Life have been combined under the management of F. H. Jacobson, who has been manager of the claim department for several years and has assisted in the underwriting work.

Special Rider for Women

With the growing importance of women as a source of accident and health premium volume, Massachusetts Bonding has found that there is some sales resistance because of the exclusion in its monthly premium forms applicable to disease or derangement of organs peculiar to women. It has therefore introduced a rider under which such conditions will be covered for an additional premium. For each \$10 monthly and \$100 principal sum in class AA, the annual premium is \$6 and monthly 50 cents.

New Branch in Toronto

Mutual Benefit Health & Accident, with Canadian head office in Toronto, has opened a new city branch at 24 Bloor street west in that city, which N. W. McBirnie as manager. He was formerly agency supervisor but was unable to continue that work due to traveling restrictions.

COMPENSATION

Call Texas Hearing on Reducing Expense Loading

AUSTIN, TEX.—Casualty Commissioner Gibbs has called a public hearing for Oct. 19 to discuss reducing the expense loading from the present allowable of 40.15 percent to 35.2 percent. President A. F. Allen of Texas Employers made application for the reduction to 35.2 percent with a \$10 expense constant and requested a public hearing.

The proposed percentage changes are as follows: Acquisition, 17.5 to 13.07; claim expense, 8.3 to 8.12; inspection, 2.6 to 2.54; general administration, 5.7 to 5.13; payroll audit, .9 to 1.19; taxes, 5.15 unchanged.

The loss allowable was changed Oct. 1, 1942, from 57.35 percent to 59.85 percent by reason of the adoption of loss and expense constants.

N. C. Reduces Compensation Rates

RALEIGH, N. C.—Commissioner Hodges has announced a 3.2 percent reduction in workmen's compensation rates, effective Oct. 1. This will mean an estimated \$200,000 a year less to employers.

Covering Hospital Volunteers

NEW YORK—In determining the premium for volunteer workers insured under policies covering hospitals, the Compensation Insurance Rating Board of New York has ruled that when indemnity is provided, "the premium shall be based upon the wage rate paid to the regular employees whom such volunteers replace, and such volunteer workers shall be assigned to the classification applicable to such regular employees."

Mark Time on High-Low Plans

NEW YORK—Definite action has not been taken on the three suggested types of retrospective rating for compensation risks. After their review by the governing committee of the Compensation Insurance Rating Board here, they were referred back to the actuarial committee of the National Council on Compensation Insurance for further study. The first serious hurdle to be overcome is the pronounced opposition of the agents.

CHANGES

Make Commercial Standard Changes

Raymond E. Buck, Fort Worth attorney, has been elected chairman of



K. F. Vasen



W. B. Todd

Commercial Standard to fill the vacancy created by the death of A. Morgan Duke. W. B. Todd has been elected acting

president and K. F. Vasen acting executive vice-president.

Mr. Todd will assume the duties formerly exercised by J. R. Plummer, who is on leave from the presidency to serve as an officer in the army air forces. Mr. Vasen will combine the duties of executive vice-president with those of secretary-treasurer, the office he previously has held. Mr. Vasen has been connected with the company since its formation in 1924, the other two since 1935. All three have been members of the board.

Mr. Buck is southern counsel for American Air Lines, Consolidated Aircraft Corporation and Barnsdall Oil Company and president of Midway Airport Corporation.

Entriken in Memphis Post

Robt. K. Entriken, son of Fred Entriken, local agent at McPherson, Kan., has been appointed assistant manager at Memphis for National Surety. He was formerly located in Houston and was associated with National Auto of Los Angeles.

Downs to Seattle Agency

D. L. Downs, formerly special agent of U. S. F. & G., has been named manager of the insurance department of Hugh Edison McCreery & Co., Seattle. He had eight years company experience

in a number of middle west cities before going to Seattle.

New Topeka Service Office

James S. Helms has been appointed manager of the Ohio Casualty's service office recently opened at 613 New England building, Topeka.

Woman Special Agent on Coast

Miss Margaret Fox, who has been branch secretary in the San Francisco office of Preferred Accident, has been appointed San Francisco Bay area special agent by Manager C. C. Washburn.

Lowe with Safety Council

Kenneth M. Lowe, Detroit manager of American Casualty, has accepted a position with the National Safety Council as field representative.

Kansas City Made District Office

The Kansas City office of Employers Mutual Liability has been made a district headquarters, serving the entire southwest. The office has been moved to new and larger quarters. Fred G. Schild is manager.

Williams with Accident & Casualty

Ersken R. Williams has been named staff adjuster of the Detroit service office

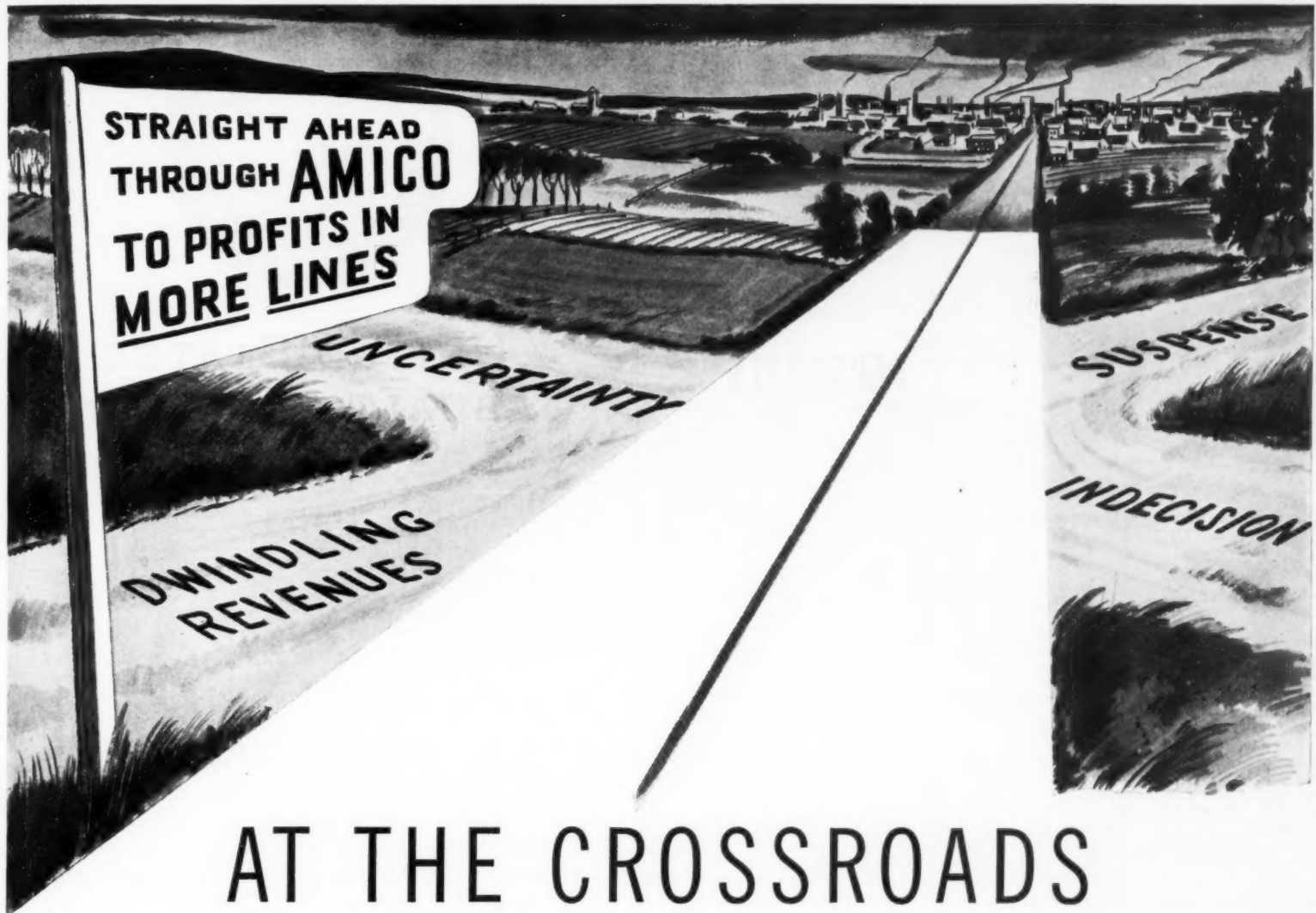
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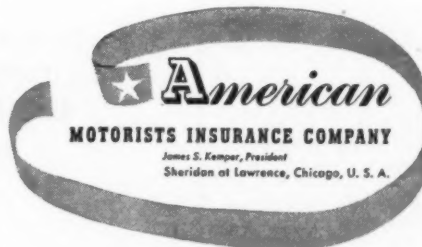
★'Where do we go from here?' is a serious question in the mind of every insurance producer.

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of Accident & Casualty. Mr. Williams was formerly connected with the Detroit office of Alexander, McCaslin & Cholette. He will assume the duties of claim supervision throughout the Michigan territory formerly handled by Charles S. George, who has resigned.

ASSOCIATIONS

O'Connor Tells Ohio Field Club of New Agents Manual

COLUMBUS—Francis P. O'Connor, assistant to the insurance superintendent, discussed the new Ohio agents examination manual at the meeting of the Casualty & Surety Field Club of Ohio last week. Mr. O'Connor explained the reasons behind the changes in the new manual.

A dinner meeting will be held Oct. 30 and all the members present pledged their efforts to secure a large attendance. H. W. Donovan, American Automobile, is secretary of the club.

Davis Before Chicago Underwriters

At the luncheon meeting of the Casualty Underwriters of Chicago Oct. 20 at the La Salle Hotel, Roy L. Davis speaks on "The Association of Casualty & Surety Executives, Its Organization and Its Functions." He is Chicago manager of that association.

California Outing Oct. 16

The Casualty Insurance Association of California will hold its annual golf tournament, outing and banquet on Oct. 16 at the Lakeside Country Club, San Francisco. R. D. Weldon, manager American Surety; F. J. Butcher, assistant secretary Fireman's Fund Indemnity, and Floyd L. Anderson, manager Fidelity & Casualty, are in charge. It has been announced that this probably will be the last event of its kind during the war.

Educational Campaign Planned

NASHVILLE, TENN.—The Casualty & Surety Association of Tennessee, at a meeting Monday with William McComas, Fidelity & Casualty, president, in charge, adopted a suggestion by Charles Diehl, American Casualty, for a possible statewide educational campaign on casualty and surety lines. Speakers would be furnished by the association for local insurance exchanges and other meetings through which both insurance men and the public may be reached.

Municipal Suits Discussed

LOS ANGELES—Preparing suits against local governing bodies under the 1931 claims act was discussed by Leonard Husar, Los Angeles deputy city attorney, before the Casualty Adjusters Association of Southern California here. Wayne Merrick, Association of Casualty & Surety Executives, discussed the curtailment of manpower and stressed the importance of securing complete information on each case.

Lester Cox, Johnson & Higgins, will speak at the next meeting on brokerage business.

Press Guests of Managers

NEW YORK—The Casualty Managers Association, of which W. J. Thompson, Globe Indemnity, is executive committee chairman, held its quarterly meeting here Wednesday, having as special luncheon guests W. S. Crawford, insurance editor "Journal of Commerce," and representatives of the trade press.

Auto Deaths Down 41.9%

For the week ended Oct. 3, automobile fatalities in the United States according to the Bureau of the Census, decreased 41.9 percent from the corresponding week of last year. For the first 39 weeks, the fatalities were 13.4 percent below those for the same period of last

year and were 5.3 percent below the three year median 1939-1941.

Convict Auditor at Detroit

Ray D. Schneider, former member of the Wayne county (Detroit) board of auditors, has been convicted by a jury of accepting "kickbacks" from insurance agents on premiums for Wayne county insurance. Edgar M. Robbins, an insurance agent, testified he paid \$2,512 to Schneider between 1937-40.

D. Wesley Barns, Iowa manager of United States Fidelity & Guaranty, retiring president of the Des Moines Casualty & Surety Club, was presented a traveling bag in token of his service during the past year by Gordon Eason, Ocean Accident, new president, on behalf of the club.

PERSONALS

A group of St. Louis insurance men including Sam Capen and Truman Walker of the George D. Capen & Co. agency and Walter Boehmer gave a send-off party for R. B. Leonard, Jr., assistant manager of American Automobile's St. Louis branch, who recently was commissioned a lieutenant (j.g.) in the navy. The toastmaster was Morrison Clevelen, agent of American Auto at Poplar Bluff, Mo. Brief talks were made by several of the 45 insurance men present, who expressed their friendship and high personal regard for the honored guest. R. Z. Alexander, vice-president, and Louis H. Antoine, St. Louis branch manager of American Auto, paid tribute to Lieut. Leonard's excellent service record with the company. He was presented a leather briefcase by Agent Walter Boehmer on behalf of the group, with an appropriate message of good wishes from his associates.

Bruce R. Howard of Toledo, O., state agent of Commercial and Metropolitan Casualty, has fully recovered from a recent accident in which he sustained fracture of two ribs and also head injuries, and is now back on the job.

DEATHS

William D. Clark, 67, superintendent of the burglary and plate glass department of Fidelity & Casualty, and an employee of the company for over 40 years, died at his home in Belleville, N. J. En route to his office the preceding Wednesday he was taken ill and returned home, a heart attack Oct. 9, proved fatal. Mr. Clark spent his entire business life in the insurance business, first as a clerk with the New York managerial firm of Hall & Henshaw, subsequently as New Jersey special agent for Manchester Fire. His association with Fidelity & Casualty began in 1901 as an assistant in its burglary department. In 1923 he was appointed manager of the division; supervision of the plate glass department being added some years later. He was an active member of the burglary committee of the National Bureau of Casualty & Surety Underwriters, and each year had its members as his guests at a beef-steak dinner at his summer camp in the lake country of northern New Jersey. In his home community he served as director of public safety for 16 years. In recognition of his services leading citizens of Belleville had arranged a dinner in his honor in Newark, Oct. 22, at which it was expected the attendance would exceed 500.

Raymond P. Jenkins, 53, Mt. Lebanon, Pa., payroll auditor of Standard Accident, died on a train while on his way from Dayton to Pittsburgh. Death was due to a heart attack. Funeral services were held in Pittsburgh.

William K. Fletcher, 41, who was connected with the underwriting production department of Excess Underwriters of New York, died as the result of a stroke he suffered at his home the previous eve-



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ning. He had been with Excess Underwriters since April, 1941, and prior to that had been with Excess Insurance Company, Franklin Surety and Royal Indemnity. He was one of the founders of the Insurance Society Forum Club.

Richard C. DeNormandie, 78, assistant secretary and agency head of Massachusetts Bonding, died at the Charlesgate Hospital, Cambridge, after a brief illness.

Mr. DeNormandie was born at Littleton, Mass. At 18 he became telegraph operator at the Natick, Mass., station of the New York, New Haven & Hartford. Later he became a junior clerk in the general freight offices of the Boston & Albany Railroad in Boston, progressing to the job of freight agent and still later becoming foreign freight agent of the Boston & Maine. In 1907, upon the organization of Massachusetts Bonding, Mr. DeNormandie joined the organization and remained with it until his death.

Mr. DeNormandie was past master, past commander of the commandery, past division commander of the grand commandery Knights Templar of Massachusetts and Rhode Island and an officer in the Massachusetts consistory 32d degree.

Am. Auto Brings Out New Form

(CONTINUED FROM PAGE 23)

of automobiles or for additional cars and notice to the company is not required, but on policy expiration an additional premium is to be collected for any additional car or cars that were acquired during the policy term.

The assured is not required to give notice of new or additional residence locations under the personal liability portion of the contract and there is no additional premium collected for such at the end of the policy term. If employers liability coverage is taken notice does not have to be given for servants employed and there is no extra premium charged if the staff has been increased during the year.

The basic general property damage limit has been increased from \$1,000 to \$5,000 in keeping with the automobile P. D. limit.

Medical Expense Broadened

The automobile medical expense coverage is no longer restricted only to occupants of the automobile owned by the insured. That is regarded as a highly important broadening of the contract.

Coverage relating to driving of other cars has been extended and in some respects goes even beyond so-called broad form drive other car coverage. For example, the insured is protected while driving automobiles owned by other members of the household. Most companies have refrained from making that extension of the coverage on the theory that such other cars in the household should be insured specifically. The American Automobile management apparently feels that usually it will have the insurance on all the cars in the household anyway.

For personal liability in the larger cities American Automobile is charging \$8 and in the smaller places \$6. Straight residence liability which does not include liability for personal acts of the assured elsewhere, cannot be written under the comprehensive form but the rate for residence liability has been decreased by American Automobile from \$4.50 to \$4.

Certain States Excluded

The new contract is not being used by American Automobile in New York and Louisiana because the regulations in those states require policy audits and it is not being used in Massachusetts because of the compulsory automobile liability law.

Because it is not necessary to give a

description of the automobile or of the premises in connection with the personal liability feature, the declarations by the insured to be set out in the policy have been reduced by more than half.

Under the new setup the \$100 bail bond expense coverage, for which the premium continues to be \$1, is extended to apply to the personal liability feature as well as to automobile.

Also without notification to the company or payment of extra premium, contractual liability assumed by the assured is covered. This would arise if the assured should rent a property and sign an agreement holding the landlord

harmless. The personal liability policy automatically covers the wife, if the husband is the insured, or vice versa, and it covers the parents for their liability on account of the acts of minor children but it does not cover the liability of the children themselves.

Under the personal and residence liability bracket in the contract there are set forth entries for bodily injury liability, property damage liability, residence medical payments endorsement, and "other endorsements." Bail bond expense is separately bracketed, as it applies to both auto and personal.

Under the automobile liability bracket

there are entries for bodily injury liability, property damage liability, automobile medical payments endorsement with provision for either including or excluding the named insured and "other endorsements." Under the automobile physical loss and damage bracket American Automobile Fire is the insurer. There are included entries for comprehensive, collision, convertible collision, towing and labor costs and endorsements.

The aircraft liability exclusion in the personal liability section is so worded as not to deny coverage to the insured for liability hazards created by the land-

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ing of planes on his property; the coverage relating to domestic employees is so defined as to grant protection to the insured in the employment of golf caddies, hunting or fishing guides, etc. The policy covers any canoe or rowboat with or without an outboard motor or any sailboat up to 21 feet in length regardless of whether they are owned, rented or hired by the named insured. The exclusion of the policy relating to business or occupational pursuits is so defined as not to exclude the farm risk. The management states that the policy is particularly well suited to the insuring of farming operations. Farm tractors are insured (on or off premises) without charge except when rented to others for a consideration.

Drive Other Car Cover

In the drive other car coverage, commercial automobiles are included so long as their use is not in connection with the insured's business or occupation. The coverage afforded the insured for non-owned automobiles operated by others is on a full comprehensive basis (including the use of commercial automobiles) and is no longer limited only to private passenger type cars driven only by domestic servants or private chauffeurs.

In a message to producers, American Automobile states that this program has been developed to meet the problem of the agent who is faced with serious loss in volume and income because of automobile rate reductions brought about by gasoline rationing. By substituting the new comprehensive policy for ordinary automobile contracts, the commission income of the producer can be maintained or increased and he will have enlarged the scope and volume of his services to his customers, the management states.

Three-Year Premium Plan

In the proposal form that American Automobile has designed, there is a place for developing a three year term premium. The personal liability premium may be discounted in accordance with the term rule but the automobile premiums must be inserted at the full multiples of the annual rate and the automobile portion is ratered each year.

Ponder Auto Rates Anew

(CONTINUED FROM PAGE 23)

should materially affect the automobile risk. A trend that has been noticeable, it was agreed, has been toward fewer claims but higher costs of repairs and parts. It was noted that the 35-mile speed limit will not affect hazards within incorporated areas where a high percentage of accidents occurs.

The carriers agreeing to the reduction, in addition to Wolverine, are: Auto Owners, Wolverine of Dowagiac; Preferred Automobile, Grand Rapids; Citizens Mutual Automobile, Howell; Frankenmuth Mutual Auto, Ohio Casualty and American States.

Their reduction followed similar reductions announced last week by American Automobile and Detroit Automobile Inter-Insurance Exchange.

PLAN CUT IN IOWA

DES MOINES—Iowa casualty companies are planning on reducing auto liability and property damage rates to meet similar reductions in the east with gasoline rationing, Alex Nelson, president of Hawkeye Casualty, reports.

The reduction will be carried out by most of the conference, non-conference and mutual companies, he explained, with some of them to put the new rates into effect shortly and others to wait for gasoline rationing.

The reduction by most of the Iowa companies is expected to compare with

the percentage of reduction made by American Automobile.

The general reduction will be on liability and property damage but some companies are also expected to slice other rates, with Central States Mutual of Mt. Pleasant, Ia., reported making a straight 20 percent reduction on all auto coverages.

The new rates will be largely on the same principle as announced by American Auto, depending on the estimated mileage of the policyholder.

IN PACIFIC NORTHWEST

SEATTLE—The Northwest Automobile Insurance Conference, consisting of non-bureau companies, has decided to file reduced auto P.L. and P.D. rates on the mileage plan used by American Automobile. There are three classes: (A) private passenger car for which the estimated mileage per year is not more than 3,000 miles; (B) private passenger car annual mileage of not more than 7,500 per year; and (C) all other private passenger vehicles.

The "A" rate represents a reduction from the old occupational "A" rate of 25 percent on liability and 10 percent on property damage; the "B" rate is a reduction of 15 percent on liability and 5 percent on P.D. from the old "A" rate; and the new "C" rates are 15 percent off on liability and 5 on P.D. from the old "B" rates.

American Auto also revamped its collision rating plan, using the same symbols, but classifying "A" risks as private passenger cars traveling less than 7,500 miles annually. All other private cars fall into Class B.

FARM BUREAU MUTUAL CUTS

COLUMBUS—Farm Bureau Mutual Automobile has reduced rates for both bodily injury and property damage insurance on all private passenger cars. A wartime emergency reduction of 10 percent from the present rates has been approved for all states in which it operates. Further special consideration is granted for the holders of A ration cards in those states where gasoline rationing is already in effect. The same consideration will be given Ohio policyholders when rationing goes into effect here.

Agents Still Overlook Aviation Business

(CONTINUED FROM PAGE 17)

volume on aviation insurance so far this year is \$8,300 yet there is not an airplane within 30 miles of him.

The best example of where he gets this volume is in the story of one of his first customers. The agent was driving about 70 miles from his home town and came on an airport located between two towns of 10,000 each. The agent stopped and visited with the airport operator. Before he left he had an order. Curious that he should order assurance from a stranger, the agent asked him why. The operator said that in the 18 months he had been operating the airfield, not an agent from either of the two towns, each six miles away, had called on him to solicit his business.

Airport Operators Doing Well

The business can be found in most towns where there is an airport. The local airport operator is doing much better today. He is developing a good income for himself with five to 10 planes. Eight at \$50 per plane means premiums of \$400. In the last three months, Mr. Somerville said, he has received more inquiries for workmen's compensation for airport operators than ever before. Operators with four instructors will probably develop a compensation premium around \$1,000. In addition there is crash insurance, fire insurance on the hangar and on the contents of the ship, marine coverage on parachutes, etc.

George C. Rehmet, 54, Alice, Tex., local agent, died from a brain hemorrhage.

Large Attendance for Kansas Program

(CONTINUED FROM PAGE 18)

panel discussion on this subject. Ewing B. Fergus, manager at Wichita for the Kansas Inspection Bureau, was moderator, and W. E. Montgomery, Syracuse; C. B. Erskine, Cimarron, and Alexander Phannestiel, Hays, were participants.

There are a large number of HOLC loans now being paid off, and yet many agents are not going after this business, R. D. Voss, district manager of the Stock Company Association at Omaha, told Kansas agents at the Friday breakfast conference.

"We receive requests from assured that they want the insurance certificate to remain in force, which cannot be done," he said. The SCA advises assured and agent when loans are paid off, allowing 10 days before cancellation. The agent should contact assured and try to secure insurance on property by writing a regular direct policy, he advised. The return premium check is sent assured for the unexpired part of the certificate.

Long Haul Business

What a trucking service expects in the way of service from the insurance agents depends on the size of the trucking company, Neal L. Toedman, Yates Center agent, who now is assistant manager of the Office of Defense Transportation at Wichita, stated in his talk on long haul trucking business under war conditions.

The large truck line operators have their own attorneys, traffic manager, inspectors, etc., but the small operator is not equipped with these specialists and therefore turns to the insurance agent. Mr. Toedman believes that in order to sell to the average small trucking company, the agent must be able to give complete service. He must be familiar with state laws and regulations. He should be able to arrange for proper filing by truck operators in various states. When an accident occurs the agent should be in a position to take care of the operator until the adjuster gets on the scene. It is also a good idea, he said, for the agent to have a bulletin service to keep clients aware of new regulations, orders, and the like, which are constantly being issued nowadays.

The ODT's control over trucks has the purpose of saving equipment and keeping it on the road, he said. Such control means that the agent will continue to get more long haul business than if such control did not exist.

Mr. Toedman also made the report for the accident prevention and safety education committee, of which he has been chairman.

National Councillor's Report

The agent should spend more time telling his public about the accomplishments of the insurance industry, Laurin Jones of Dodge City emphasized in his report as national councillor. Mr. Jones reviewed at some length the accomplishments of the National association during the past year, including those at the Chicago meeting.

The Frank T. Priest cup, which is awarded the local association doing outstanding work during the year, went to Salina, which won in competition with seven other boards. It is retained by the winning board for a year, and then awarded again.

The Rosse Case cup went to Laurin W. Jones of Dodge City as the individual doing the most outstanding work in fire prevention during the past year. This is the first time this award has been made and R. W. Forshay gave the presentation speech.

Alex Case presented appropriate gifts to retiring President Henry and to Wade Patton of Hutchinson, who was named by the executive committee as secretary-treasurer for the 16th consecutive year.

A strong plea that agents become

"master craftsmen" was voiced by R. W. Forshay, Anita, Ia., immediate past president of the National association. This can be done if agents prepare themselves to meet the standards of professional achievement set out by the American Institute for Property & Liability Underwriters, he said.

The majority of agents realize the necessity for competent training, proper education, and intelligent service. Consequently the vast army of so called agents who will not and do not care to earn the title of master craftsman should be educated or gotten out of the business.

If only a few of the Georgia grand jurors have had the services of a competent agent, then the worth, usefulness and necessity in business of the agent will suffer no adverse action.

Deplores Federal Investigation

Mr. Forshay deplored the fact that the Justice department should launch an investigation of the stock companies, particularly at a time when the efforts of the companies and their depleted staffs are directed toward wholehearted assistance in the winning of the war. He asserted that the methods followed and the practices employed by the companies have brought about lower rates, lower burning ratios, broader coverages, etc.

The unqualified agent cannot survive a long war, he said. With war work and the many difficulties to be surmounted daily in getting his job done, the established agent is finding the road rough enough, and yet is determined to do his work well, maintain personnel, establish proper reserves and still carry on.

Eyes Adviser Plan

The difficulty of extra-territorial coverage of compensation risks is one that the war department plan on casualty insurance has eliminated, according to Robert A. Braddock, R. B. Jones & Sons, Kansas City. Many agents have had difficulty in getting their companies to issue an endorsement protecting a client if he is liable under the compensation law of some state other than that in which he has his principal business, Mr. Braddock said. The government plan neatly takes care of this matter by stating in a qualifying endorsement attached to a policy that the policy is extended to protect the insured under the compensation law of any state where private insurance is permitted.

The main thing to be considered in the war projects plan is that the government is not interested in buying insurance but only in buying services, he declared. Agents will find it easier to understand the plan if they realize this.

Contrary to the belief of some agents, the insurance adviser has a good sized job to do, and his responsibilities are certainly not less than those of an agent on regular business. The adviser must make a thorough study of his insured's contract with the government and advise insured in the selection of a carrier if the insured so requests.

Adviser Has Much to Do

On each government project of any size a field hospital has to be established, and the adviser must coordinate the installation and operation of the hospital into the compensation insurance program. Because of the shortage of trained personnel and the additional responsibilities which have been taken on, a great many carriers are not in a position to service war projects because of the requirement for full time safety engineers and claim representatives. Consequently the adviser needs to investigate carefully a carrier to see that it is in a position to service the risk adequately. He must review from time to time the handling of losses and the safety activities to see that both departments are performing satisfactorily. He must make a thorough

study of all insurable hazards in connection with the contract, investigate payroll classifications and methods of computing premiums used by the carrier. In general the adviser is to relieve the contractor or manufacturer from as many details as possible so that he can devote his entire energies to war production.

The long range effect of the war department plan for handling casualty insurance is not going to be as profound on the future of the insurance business as some believe, Mr. Braddock said, it will speed up adoption of graded acquisition costs and graded expense factors in compensation rates. The agent will continue to have to justify his position, as he has always had to do. Certainly the agents who have acted as insurance advisers have done a good job and have been recognized for it.

Wintrol Discusses Transportation Cover

With the vastly accelerated movement of goods in wartime the need for transportation insurance is greater than ever before, C. J. Wintrol, state agent of the Queen, Wichita, stated. All manufacturers, wholesalers, department stores, retailers and any others who ship or receive merchandise constitute prospects for this type of coverage, he said. The policy is very flexible in its conditions and in most cases may be extended or amended so that it exactly fits assured's individual needs.

Johnson Reelected R. I. President

(CONTINUED FROM PAGE 3)

Henry Davis, former president of Rhode Island association, introduced the first speaker at the clinic session. This is a regular part of the annual meeting. Clark B. Bristol, assistant secretary Century Indemnity, presented a paper on commercial fidelity bonds. He explained the advantages of modern dishonesty insurance protection. Particularly underinsurance and faulty selection of those to be insured is avoided by the new blanket coverage.

Single state reporting forms were explained by Stanley W. Tebbetts, New York City, America Fore. Shortage of goods is multiplying the need for use of reporting forms to cover changing values at risk. An average amount of insurance never was efficient because premium was wasted when inventories were low and insurance was inadequate when inventories were high. A normal department store would have values above insurance before Christmas and Easter and values

below insurance in the months following these seasons. Today when buying has to be erratic and stocks must be replenished when possible, need for reporting forms is far greater. They permit constant adjustment to values, get full return for premiums and safeguard operation of the coinsurance clause.

Mr. Tebbetts suggested three-year policies to take care of minimum values always at risk. Values above those can be handled separately. This plan also permits an assured to buy from more than one agent where that is desired. He explained the differences between I. U. B. Form A and Form 1

and methods of operation of the Interstate Underwriters Board. It now handles about \$10,000,000 of premiums each year, \$6,000,000 of which come from use of forms 1 and 5. A floater form may be written with a \$2,000 maximum coverage, with provision that coverage does not apply on goods at principal location of the insured. Mr. Tebbetts then reviewed the items called for on an I. U. B. application form 1 or 2. Making all entries at the I. U. B. to comply with state laws and state commission distribution involves appalling detail.

Cyril P. Geggis, Employers Liability group, Boston, speaking on contractual

liability emphasized that most liability policies cover only that imposed by law. That liability specifically assumed by the property owner by contract is excluded from coverage but it can be covered by contractual liability insurance. He explained many examples of contractual liability. He urged agents to have assured review their contractual agreements with railroads and have them conform to the National Industrial Traffic League clause which appears in the contractual liability manual. Lease of premises contracts need careful examination also to avoid excess burdens upon the lessee. Service agreements are always

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It doesn't take a magnifying glass to pick out the mishaps in this scene that may cause loss through liability suits. Beware of Overconfidence. Every property and every enterprise needs coverage against claims for injury or damage arising from accidents. Our agent or your own broker will tell which type of insurance best fits your needs.

WANTED

Man reasonably free from selective service with good education, appearance, personality and a good working knowledge of casualty, fire and marine insurance, as personal assistant to broker with large production in Chicago. In reply give full history and qualifications. Address Q-69, care The National Underwriter, 175 W. Jackson Blvd., Chicago.

POSITION WANTED

Attorney, 34 years old, Home Office Management 10 years claim, legal and underwriting experience. Automobile and Accident and Health Company. Thorough knowledge Stock and Reinsurance Operation. Rejected Military Service, married, 2 children.

Address Q-67, care The National Underwriter, 175 W. Jackson Blvd., Chicago

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checked carefully by underwriters because they are frequently possible sources of unusual loss. Where service agreements are covered by insurance, products liability will almost always be required as well as contractual liability.

Roy A. Duffus, Rochester, N. Y., reported that his office is sending out a return government postcard to all automobile policyholders upon which they can report whether they have A, B, C or S gas ration books. He suggested a new short rate plan based on prorata cost on the basis of the time the policy is in effect, plus a decreasing charge factor as the term of coverage is longer. Office educational meetings, reading insurance journals and board conferences on business operations will help to develop sales efficiency, he declared. First class mail on announcements from rating and governing bureaus would aid agents, he said, by preventing delayed delivery of these important messages. He said that where ride sharing is practiced, every one who drives the car being used at anytime should be a named insured in the policy covering the car. He would have a standard endorsement which would take care of this without the necessity of the extra work of adding names of all those who might drive the shared car.

Money, Securities Cover on Way

NEW YORK—James W. Close, counsel for the War Damage Corporation, announced that a scheme will soon be promulgated for insuring money and securities in vaults, etc. He made the statement in addressing the meeting of the National Association of Mutual Insurance Agents here.

A bulletin just issued by the American Bankers Association makes the statement that applications and policy forms for the money and securities

cover will be available the latter part of this month. The bulletin indicates that four different types of coverage will be offered, designated respectively as A, B, C, and D, with rates graduated.

"Because of greater salvage possibilities through replacement of securities damaged or destroyed," the association says, "the rates for securities will be less than the rates applicable to money. Location of the insured money and securities will probably control the coverage classifications substantially as follows."

"A. While within preferred vault on the premises designated in the schedule (which is part of the application)."

"B. While within any safe or vault including any preferred vault on the premises designated in the schedule."

"C. While within the premises designated in the schedule including any safe, vault or preferred vault there."

"D. While in transit or otherwise outside any premises, as defined in the policy, whether or not designated in the schedule, for any business purpose (loss in the mail or in the custody of a carrier for hire other than an armored motor vehicle company is not covered under this policy, as such risks may be insured under the WDC registered mail contract)."

Quoting an editorial from one of the "leading financial dailies" six months ago criticising the attitude of the various branches of the insurance business for showing too much concern over their own interests and not paying sufficient attention to safeguarding and advancing the interests of the business as a whole, Mr. Close said that he was happy to report that the statements have proved to be "almost wholly erroneous."

The fevered pitch of activities following the setting up of the WDC "tested the mettle of the insurance industry and proved it to be a finely tempered and flexible organization," he said.

The American agency system, as presently constituted, represents an integral part of the grass roots of our way of life, he said. The agent is oftentimes the financial adviser to an entire community. An individual, personal recommendation, supplemented by the usual forms of advertising, will "provide the wide coverage necessary to make the war damage program as successful as it was hoped it would be." The measure of success will be determined by the measure of cooperation, which is the measure of patriotism.

Optimistic Outlook at Employers' Coast Meet

SAN FRANCISCO—Pessimism is definitely "out" in regard to the future of the insurance business in California, particularly in the San Francisco area, it was emphasized at a business promotion meeting held by the Pacific department of the Employers group here. A number of brokers and agents attended the session which was closed with a dinner.

Russell Adams, metropolitan department manager, told of new markets now available, developed by a heavy influx of workers from all parts of the country at wages and salaries higher than most of them have earned before.

Herbert W. Semmelmeier, public relations manager Pacific Board, outlined ideas to use in selling insurance under war conditions. Pacific board companies recently obtained 42 new sprinklered lines formerly covered by mutuals solely by explaining the tax burden and how stock company coverage can be obtained at little additional premium.

Miss Kathleen Berry, Cosgrove, discussed preparing surveys. She first determines the possibilities of losses on a risk, then the probabilities of loss and then the coverage needed.

C. A. Chichester, Oakland, also spoke on the value of insurance analyses, citing several instances where large lines have resulted.

Fay Browne, Otis-Browne, said there is too much detail in the business and too much correspondence between producers and companies.

Drive Other Autos Rule in New States, Farm Truck Changes

The extension of the automobile liability drive other cars rule announced last July by the National Bureau of Casualty & Surety Underwriters has been made effective in most states in which filings are required, as of Oct. 12. The new states in which the rule went into effect are Illinois, Indiana, Louisiana, New York, North Carolina, Oklahoma, Virginia and Washington.

The rule provides that either broad or limited drive other cars coverage may be kept in force for assured who have disposed of or laid up their automobiles. These assured may thus be protected against liability from driving other cars. This coverage may also be written separately for an assured who does not own an automobile. The rate varies from \$5 to \$8 for limited coverage with \$5/10,000 limits, depending on the premium for an A class private passenger automobile in the assured's territory.

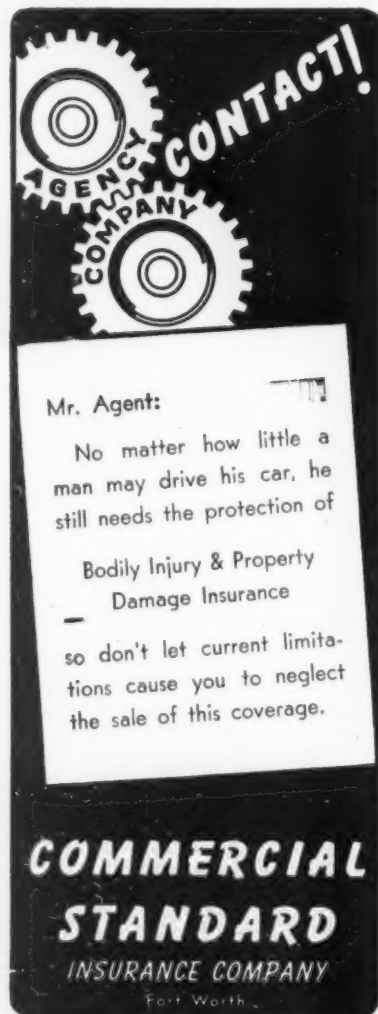
The National Bureau also issued another rule change by post card, eliminating the requirement that trucks writ-

ten at the farm or private estate rule must be restricted in coverage to these operations. The farm truck endorsement is thus abolished.

Another change in the farm truck rule permits a farm truck of the pick-up type, with a load capacity of 1,000 pounds or less, not used to haul commodities for other farmers, to be classified as a private passenger automobile. Either the B or B-X private passenger rate or the commercial light class 5 rate less 15 percent, whichever is lower, applies. Automobiles written under this new rule take the safe driver reward and the trailer coverage applicable to private passenger cars.

Autoist Mutual Fights Minn. Tax

ST. PAUL—Foreign and domestic insurance companies may be separately classified for tax purposes in Minnesota, E. J. Devitt, assistant attorney-general, said in his argument before the state supreme court this week in the case of the state against Autoist Mutual of Illinois, which is resisting payment of a premium tax for the year 1936 on the ground that the tax is discriminatory. It also contended that the premium tax is a prospective rather than a current tax.



AGENCY CONTACT!

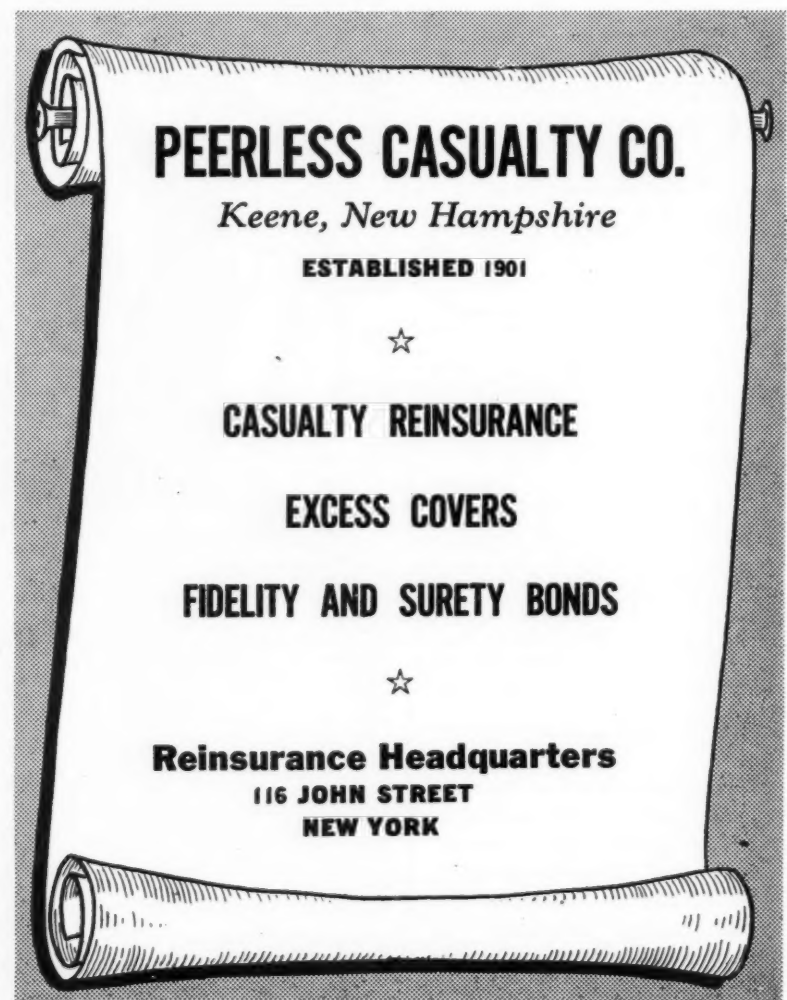
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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Illinois Schools Being Conducted

Several agents schools sponsored by local boards and conducted according to the educational plan of the National Association of Insurance Agents are being held in Illinois and others are projected. A school is in progress at Peoria and a school on steam boiler and machinery insurance is being held in the office of W. A. Alexander & Co., Chicago, with which Wade Fetzter, Jr., chairman educational committee Illinois Association of Insurance Agents, is connected. Mr. Fetzter is conducting the school. A new school will be started at Joliet next week and the agents association at Rockford also is considering such a project. The schools require 100 hours of work.

Illinois Officers to Meet

The whole subject of the local schools, a departure from the district schools heretofore conducted, designed to conserve transportation facilities and avoid the rubber and gasoline bottleneck, will be discussed by officers and directors of the Illinois association at a meeting Oct. 16 in the executive office at Chicago. The regional vice-presidents will meet in the morning and officers and directors in the afternoon in room 616 Insurance Exchange.

Arthur Higgins, superintendent of downstate agents of Aetna Casualty at Chicago, will conduct the school session at Peoria on accident and health insurance.

Cecil I. Thomas of the R. W. Troxell agency, Springfield, has been appointed chairman of the rules and forms committee of the Illinois association.

New Rate Filing Made in Mo.

The Missouri Inspection Bureau has filed a new fire and windstorm rate schedule which, according to Superintendent Scheufler of Missouri, consists primarily of reductions on dwellings and contents in protected towns and in St. Louis county with reductions on certain brick and frame buildings and contents in protected towns. Also some reductions are to be applied to certain specified classes of occupancy and there are changes in extended coverage rates on dwellings in all classes of towns. There will also be some revisions in the Missouri rule book.

This filing was made in view of the demand of Mr. Scheufler that the stock fire companies reduce rates in such a way as to produce a \$600,000 annual premium saving in the state. Mr. Scheufler stated that the Missouri Inspection Bureau and the companies that use the bureau as a public rating and filing agency fully cooperated with him. There has been no specific notice come to the superintendent that any court attack will be made on his proceeding by any company. Mr. Scheufler stated that he will study the new filing before giving his final approval. He indicated that the effective date of the new schedules will be Oct. 26.

Prevention Activities Featured at Great Bend

The Kansas Fire Prevention Association completed a very successful week's program at Great Bend. It appointed C. T. Nichols, Springfield F. & M., as contact man for Great Bend, where he resides. The chamber of commerce appointed a fire prevention committee with

Trice Cauble as chairman. He is the representative of the Bankers Investment of Hutchinson, Kan. The chamber offered prizes in the way of defense stamps for school children for the best addresses, posters and essays. Fire prevention trailers were shown in theaters during the week. "Fight that Fire" film was shown Monday at the Lions Club and in the evening at the Rotary Club. Local papers gave the work much publicity. Harry K. Rogers, Western Actuarial Bureau, accompanied two fire trucks to all the schools where he made brief talks. He was the guest at dinner given by the fire prevention committee and the Great Bend fire department. He spoke to about 1,200 people in the city auditorium. There were 51 attendance prizes given in the form of defense stamps and one \$25 defense bond which was donated by the Great Bend merchants.

Wisconsin Mutuals Meet in Milwaukee Oct. 28-29

MILWAUKEE—The Wisconsin Association of Mutual Insurance Companies will hold its annual convention here Oct. 28-29. Gary H. Kamper, Badger Mutual, Milwaukee, president, will open the meeting. Speakers the first day will include A. L. Kirkpatrick, insurance editor Chicago "Journal of Commerce"; John R. Arnold, Chicago, vice-president National Retailers Mutual; Prof. D. M. Reardon, Milwaukee, Marquette University; Paul Reynolds, Madison, executive secretary Wisconsin Taxpayers Alliance. The banquet will be held that evening, with entertainment but no speeches.

The second day James W. Close, assistant general counsel War Damage Corporation, will speak on "War Damage Insurance." Other speakers will be Gordon Davis, loss research division Federation of Mutual Fire Insurance Companies, Chicago; A. S. Lerdahl, Madison, Wis., and Leon H. Jones, vice-president Lumbermen's Mutual, Mansfield, O. The afternoon session will feature a mutual insurance forum, with a panel of prominent mutual representatives and agents to answer questions.

The association is composed of mutuals writing city and village risks but not farm properties.

Quick Elected in Muskegon

MUSKEGON, MICH.—E. J. Quick, Smith, Easton & Quick, has been elected president of the Muskegon Association of Insurance Agents. Other new officers are: Vice-president, Robert Caughey, Riordan & Caughey; secretary, F. C. Kampena, Chaddock, Winter, Mulder & Alberts; and treasurer, Martin Mullally, Campau, Mullally & Meier. Executive committee members are Floyd Conklin and William Vanderwerp.

President Quick met recently with the local automobile dealers' organization and the local board has decided to continue a committee to work with the dealers in furthering friendly relations between the two groups. It has also been decided that the board continue advertising of war damage cover.

County Fire Fund Insufficient

APPLETON, WIS.—Outagamie county board of supervisors insurance committee voted to place a 30-day binder on \$122,500 fire, tornado and extended coverage insurance on county asylum buildings, machinery, livestock and crops, subject to approval at the next meeting of the supervisors. The committee was of the opinion that the county fire fund of some \$10,000 is insufficient to cover the hazard and that at least part of the liability should be

placed with local agents in private companies.

Fevig Heads Park Regional

FERGUS FALLS, MINN.—At the annual meeting of the Park Agents Regional Association, George Fevig, Moorhead, was elected president; Lawrence Paulson, Rothsay, vice-president, and Ralph J. Barke, Fergus Falls, secretary-treasurer. Oscar J. Eastman, secretary Northwestern Fire & Marine, talked on the Minnesota standard fire policy. Other speakers were R. A. Thompson, president, and Frank Preston, executive secretary of the Minnesota Association of Insurance Agents. The next meeting will be Dec. 6 at Fergus Falls.

Columbus Offices Must Move

COLUMBUS—The war department is taking over the Huntington National Bank building, just across the street from the state capitol, and as a result many insurance offices will have to move, including Western Adjustment, Springfield Fire & Marine, Ohio Casualty, United States Fidelity & Guaranty, American Surety, Michigan Mutual Liability, American Automobile and London & Lancashire, as well as a number of life companies.

Western Adjustment is moving to the fourth floor which is not affected. American Automobile has moved to the A. I. U. building.

Indiana Adjusters Elect

H. R. Overly, manager Hoosier Adjustment Bureau, is the new president of the Indiana Fire Insurance Adjusters Association. R. V. Cherry, manager Western Adjustment, is vice-president, and Lawrence H. Bowers, claim manager of America Fore, secretary-treasurer.

Blomgren to Minneapolis Board

MINNEAPOLIS—George W. Blomgren, for many years Minnesota state agent of Security of New Haven, has been appointed manager of the Minneapolis Underwriters Association. He succeeds Ralph Coursolle, who resigned to enter military service several months ago.

In the interim between the departure of Mr. Coursolle and the appointment of Mr. Blomgren the association work has been handled by Miss Doris Ballard, who will continue as assistant in the office.

Regional Meeting at Columbus

The Southeast Kansas Insurance Agents Association is holding a dinner meeting Oct. 15 for agents and office personnel at Columbus. English air trainees from Miami, Okla., will attend, and there will be a discussion of writing insurance during wartime.

C. W. Bean, Kansas City, state agent America Fore, zone chairman for the Kansas Fire Underwriters Association, will lead the discussion.

Turkey Experience in Minn.

MINNEAPOLIS—Two storms in September took a considerable toll of turkeys, insurance men report. However, the turkey coverage so far this year is profitable. There is a huge turkey crop in the territory and a large volume of business has been written. Some is still being written, late as it is. The rate is somewhat lower than last year. Practically all the claims from the September storm originated in Minnesota, a few in the two Dakotas, also large turkey growing states.

Issue Minn. Agents Roster

MINNEAPOLIS—The annual roster of the Minnesota Association of Insurance Agents, by districts, was issued

All Officers of Milwaukee Board Are Reelected

MILWAUKEE—At the annual meeting of the Milwaukee Board of Fire Underwriters this week the following officers were re-elected: President, Ralph Martin, Martin Insurance Agency; vice-president, Thayer Clayton, Geo. H. Russell Co.; secretary, J. G. Grundle; treasurer, George Y. Wilkinson, Myers & Wilkinson.



Ralph Martin

Directors elected for full terms of three years are R. C. Pittelkow, Charles Pittelkow & Son; Richard Norris, Jr., R. H. Norris & Son, and Frederick Kasten, Blatz-Kasten & Co.

this week from the office of Executive Secretary Frank S. Preston. Inserted in the four-page roll-call was the B.D.O. sales help on war damage insurance. One of the B.D.O. sales helps will be inserted in each of the monthly bulletins issued by the association. The first of these inserts was financed by Northwestern Fire & Marine.

Blackout Procedure Explained

MINNEAPOLIS—Defense and blackout activities in Minnesota were explained at the first fall meeting Monday of the Insurance Club of Minneapolis by Col. Arvin Oberlander, U. S. A. His talk was opportune in view of the fact that the Twin Cities area was scheduled to have a blackout Oct. 14. The program was sponsored by Fred H. Barney of Barney & Barney, local agents.

Big Loss at Tiffin, O.

The plant of the Tiffin Art Metal Company, Tiffin, O., was practically destroyed by fire. Under the general schedule insurance was \$162,000 and estimated loss \$142,600. There was also \$25,000 insurance under a stock reporting form, and this is estimated as a total loss. The use and occupancy coverage of \$75,000 is also estimated total. The company was working on war contracts.

Kankakee Ceremonies Impressive

A spectacular fire prevention observance was held in Kankakee, Ill., being in charge of Harold Cooley, local agent and chairman of the fire prevention committee of the chamber of commerce. The show attracted a crowd of several thousand. There was an actual demonstration of extinguishing an automobile fire and the water power of the fire department was demonstrated.

Regional at Montevideo Minn.

Commissioner Johnson has been invited to address the Oct. 20 meeting of the West Central Regional Association at Montevideo, Minn. Others who will attend and probably speak are R. A. Thompson, president of the Minnesota Association of Insurance Agents; Armand Harris, chairman of the executive committee, and Frank S. Preston, executive secretary.

Cleveland Women Organize

The Insurance Women of Cleveland has just been organized as a new chapter of the National Association of Insurance Women. Officers are: President, Jane Rudolph; first vice-president, Ann Kintner; second vice-president, Peggy Zawada; recording secretary, Jean Lin-

der; corresponding secretary, Madeline Heber; treasurer, Jean Frame, and parliamentarian, Stella Cadwallader.

Jones President at Dodge City

Laurin W. Jones, former Kansas association president, has been elected president of the Dodge City Association of Insurance Agents; Reba Jo Hains, vice-president, and E. C. Hathaway, secretary-treasurer.

Milwaukee Agency 50 Years Old

The Armitage Agency, Milwaukee, operated by W. J. Armitage, reached the half century mark Oct. 11. It was established in 1892 by Frank Armitage, now retired and living near Gulfport, Miss.

NEWS BRIEFS

Plans for the new season of dinner meetings of the **Insurance Women of Green Bay, Wis.**, were discussed at a get-together tea for all local women in the insurance business. The first meeting will be held Oct. 26.

More than 30 girls appeared for the first class in the educational course sponsored by the **Minneapolis Insurance Women's Association**. The course of the National Association of Insurance Agents is being used.

Ralph Chapman, former Minnesota field man, now secretary of Corroon & Reynolds, has been renewing acquaintances in his old territory while in Minneapolis on company business.

The **Mutual Insurance Club of Ohio** held its first fall meeting Monday in Columbus. There was a general discussion of war damage insurance.

The **Insurance Women of Sioux City, Ia.**, have started an educational course, to run through December, on state insurance laws, aviation, burglary, theft, robbery and plate glass. A class on fire coverage will be started in January.

The **Northwestern Adjustment Company** has been organized at Boone, Ia., with R. P. Thorson as president and G. C. Thorson, secretary-treasurer.

The **St. Louis Cats Meow** will open its fall session with a hayride party Oct. 17.

Various sections of the fire insurance industry in Kansas City have organized bowling teams and have formed the **Fire Protection League**. The teams meet every Friday evening. They are sponsored by the Blue Goose, Missouri Inspection Bureau, Garrett, Inc., H. L. Hohl & Co., Western Adjustment, R. B. Jones & Sons, Employers group, Tadlock Adjustment Company and Western of Fort Scott.

Mrs. Margaret Bailey, formerly in the underwriting department of Franklin Fire in Philadelphia, is now with the Trump-Littleton agency, Springfield, O.

Charles F. Daniels, Illinois state agent of Norwich Union, addressed the Kiwanis Club of Kankakee, Ill., Monday on fire prevention.

Make Survey of Agency Activity in Promoting Sale of War Damage Cover

The Business Development Office has addressed each one of the state associations of local agents asking these groups to report on the individual and collective work of local agents in their states in promoting the sale of war damage insurance. The B.D.O. states that it received a request from the War Damage Corporation for a general statement of what the agents have done in this direction and the B.D.O. is proceeding to get the facts together.

The various state associations are collecting their facts in different ways. For instance in Michigan a bulletin and questionnaire was sent to each member and the replies will serve as a basis for a report to be made to the B.D.O. In Illinois a meeting of the vice-presidents of the state association is being held Friday morning in Chicago and each vice-president will be asked to set forth the activity of the individual agents and local boards in his region. At that same meeting, which will be attended by George Cassell, Caledonian, representing the Illinois Fire Underwriters Association, there will be set in motion a project to intensify the sale of war damage insurance in the state.

It is likely that a few months hence the War Damage Corporation will ask for another report of progress and if it is satisfied with what the agency organization has done, it will continue to permit the insurance to be sold in the same way but there is the threat implied that if the agents do not measure up to expectations, the sale may be turned over to federal agencies.

South Dakota Permits Use of Renewal Certificates

Use of renewal certificates by fire, casualty and miscellaneous companies has been approved by Commissioner Burt of South Dakota, effective as of Sept. 28.

There is no standard form prescribed, but the certificate must contain the term of the certificate and coverage afforded, individual charges for each coverage and total premium, certificate number corresponding with the number of the policy that it continues, space for countersignature of a resident licensed broker as required by the state. Use of the certificate is optional.

New American Equitable Director

Gustave Drescher, vice-president Marine Midland Trust Co., has been elected a director of American Equitable.

Names Parker-Allston

European General has appointed Parker-Allston Associates, Inc., as advertising counsel. Raymond D. Parker is the account executive. Constitution Reinsurance has also appointed Parker-Allston.

EASTERN STATES ACTIVITIES

North, Perkins and Crafts on Me. Card

The program has been completed for the annual meeting of the Maine Association of Insurance Agents at the Augusta House in Augusta next Wednesday. There will be a meeting of the executive committee in the morning and then a luncheon for the entire group. At the afternoon meeting President John Whitcomb of Bar Harbor will give his address and then there will be talks by Commissioner Perkins of Maine, David A. North of New Haven, president National Association of Insurance Agents and James F. Crafts of Boston, vice-president in the eastern department of Fireman's Fund.

The day will close with a banquet and entertainment.

Farm Rule Changes in New England

BOSTON—Changes in farm property rules in Massachusetts, Rhode Island and Connecticut, corresponding in general to recent changes for Maine, have been promulgated by the New England Fire Insurance Rating Association.

Farm property rates and rules have been revised slightly to clarify certain

sections. Form 703 has been revised to include the three-fourths value clause, which may be referred to as applying to certain items when rates call for its use. The form is also revised so that live stock may be written at the new rates with the live stock pro rata and limit of liability for live stock clause.

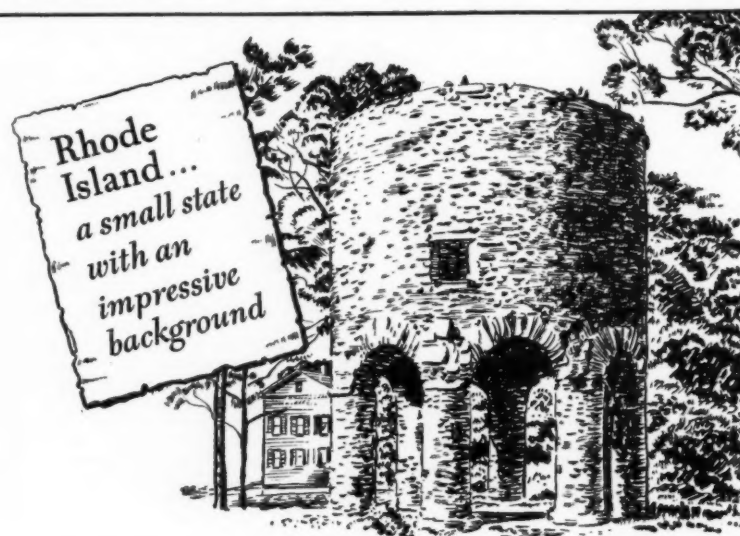
Rules and rates for tobacco barns and sheds and contents other than tobacco have been revised somewhat.

A change applying solely to Massachusetts is in forms 703 and 703S where the disclaimer clause is no longer part of the form. If the dwelling is occupied by more than two families the disclaimer clause is to be attached in Massachusetts.

New Hampshire Agents' Program Announced

R. M. Clark, of Keene, president of the New Hampshire Association of Insurance Agents, states that at the annual meeting at the Carpenter Hotel, Manchester, Oct. 28, there will be an executive session in the morning, a joint luncheon with the Women's League and Mountain Field Club at noon and a business session and educational forum in the afternoon.

In the morning President Clark has arranged for all the state committees to meet with Commissioner A. J. Rouillard and the secretary of the New Hamp-



OLD STONE MILL in Newport, one of Rhode Island's most unusual structures, is a roofless circular tower with open arches below. The supporting pillars are composed of flat, irregularly shaped stones, carefully laid with mortar joints. Believed by many to be a relic of the Norsemen, this Mill has been a subject of sporadic controversy for over 100 years. Generally accepted now is the belief that it is a ruin of a windmill built by Benedict Arnold, Governor of the Colony from 1663 to 1672.

Rhode Island has many interesting and historical landmarks—a large portion of which are insured by the Rhode Island Insurance Company.

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LIGHTNING WINDSTORM
INLAND MARINE

shire Board of Underwriters. This will give members an opportunity to bring up problems and make suggestions. At noon there will be a joint luncheon of the New Hampshire Association of Insurance Agents, the New Hampshire Insurance Women's League and the Mountain Field Club to be followed by addresses by Commissioner Rouillard and M. W. Mays, director of the Business Development Office of New York. President David A. North of the National Association of Insurance Agents will give the chief address in the afternoon. There will be a fire insurance forum presided over by Lester Harvey, vice-president New Hampshire Fire, and a casualty forum in charge of F. R. Montgomery, resident manager of the Travelers at Manchester. Mr. Mays will explain the B.D.O.'s war damage program.

Roy Duffus in Syracuse

Roy A. Duffus of Rochester, chairman of the educational committee of the New York State Association of Local Agents, will outline the educational program to the Syracuse Insurance Women's Association and to members of the men's Casualty & Surety Club and the Syracuse Field Club Oct. 19.

Miss Marjorie Hull, president of the Insurance Women's Association, will preside.

Reelect Boston Library Officers

BOSTON—At the annual meeting of the Insurance Library Association of Boston, William B. Medlicott was re-

elect president, James F. Crafts, vice-president, D. N. Handy, secretary-treasurer and Abbie G. Glover was named to the newly created office of assistant secretary-treasurer. Trustees are: Kenneth H. Erskine, manager Liverpool & London & Globe; Robert A. Sullivan, of Hinckley & Woods; I. Lloyd Greene, vice-president Boston; Herbert G. Fairfield, Fairfield & Ellis, and Paul J. Woodcome, H. A. Hatch & Son, Fitchburg, Mass. Total membership is now 262.

Passaic County Agents Elect

PASSAIC, N. J.—New officers elected by the Passaic County Association of Insurance Agents are: Theodore Bruinsman, Prospect Park, president, succeeding Edgar H. Ellis of Paterson; Joseph A. Marchese, Jr., Passaic, vice-president; William G. Heuser, Passaic, secretary-treasurer (reelected).

NEWS BRIEFS

The annual meeting of the Connecticut Association of Insurance Agents will be held at the Lawn Club, New Haven, Nov. 5.

J. P. Fleming, Trenton local agent and former president of the Mercer County Association of Insurance Agents, has been nominated for the New Jersey assembly on the Republican ticket.

The Massachusetts Association of Insurance Women will open its season with a meeting in Boston Oct. 17. The club will take action on joining the National association.

vigorously the commission allowed on bonds for contractors.

War Damage Chief Topic at Ala. Regional Meetings

BIRMINGHAM—A series of regional meetings of the Alabama Association of Insurance Agents is being held this week. War damage insurance is one of the chief topics discussed, led by H. P. North, assistant director Business Development Office.

At the first meeting in Mobile Monday, speakers in addition to Mr. North were Hunter Brown, Pensacola, Fla., member of the national executive committee; Ed. H. Moore, Birmingham, president, and M. R. McGruder, manager of the Alabama association. John O'C. Jackson, Mobile agent, presided. The educational program of the Na-

tional association and membership also were discussed.

Other meetings held this week were at Troy, Opelika, Montgomery and Selma. Meetings next week will be held at Decatur, Gadsden, Anniston and Tuscaloosa, winding up in Birmingham Oct. 23.

Report on Alabama State Fund

BIRMINGHAM, ALA.—The Alabama state insurance fund, according to the annual report just submitted by A. R. Forsyth, state finance director, now has a surplus of \$558,342, having increased \$50,806 the past year, of which \$39,019 was underwriting profit and \$11,786 investment earnings.

Losses paid during the year were \$225,211 on 26 buildings, with reinsurance recoveries of \$80,994. Most of the losses were on school buildings.

The fund retained fire insurance premi-

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IN THE SOUTHERN STATES

New Zoning Plan Adopted in San Antonio on Claims: Report on Storm Losses

SAN ANTONIO, TEX.—A new plan for zoning San Antonio and adjacent territory to improve the efficiency in handling claims, adopted in light of experience following the late August storm, was explained before the San Antonio Insurance Exchange by J. F. Miazza, Dallas, assistant southwestern general manager Fire Companies Adjustment Bureau. The new plan eliminates requiring the adjuster to know of all streets and speeds up closing claims by aiding the adjusters and the clerical force to sort and classify records developed. Adjusters from 12 states and

experienced clerical assistants were drawn from four states, including the Texas offices.

Handling claims was hindered by the lack of man power as a large number of adjusters have been called into the armed forces. Of the 15,000 claims filed in San Antonio, 11,000 claims have been settled. In addition there were 15,000 claims outside of San Antonio.

In contacting claimants, Mr. Miazza stated that most people recognized the difficulties in securing workmen to make repairs and were cooperative in their attitude. He also took occasion to compliment the agents.

Walter T. Gallaway, San Antonio manager Fire Companies Bureau, spoke briefly in appreciation of the work of the agents.

Some of the agents spoke, protesting

"Audits for premium adjustments on Inland Marine lines, no longer present the diplomatic problem they formerly did."

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ums \$243,131 and reinsured with 62 fire companies \$160,622. It retained tornado premiums \$82,778 and reinsured \$2,906.

America Fore Club Outing

The fall outing of the America Fore Club of Atlanta was held at Lakemoore Club in the form of a dinner dance and bridge party. This is an organization of employees of the America Fore Atlanta office and no company official may hold office.

Dallas Annual Meeting Oct. 23

DALLAS—The annual meeting and dinner of the Dallas Insurance Agents Association will be held Oct. 23. A revised constitution will be submitted for approval or amendment, this work having been started by the late Charles R. Tucker when he was president early in 1942.

New directors will be elected by the members and they will elect new officers. The present firm membership of 110 is the largest in the history of the association. Thirty-three member agents or solicitors in the offices of members are now in the service.

Big Increase in Dallas Losses

DALLAS—While all of the rest of Texas is showing a decrease in fire losses, Dallas had a total loss of \$1,362,413 to Oct. 1, as compared with only \$681,677 for the same period of 1941. Dallas had a 15 percent good fire record credit for a few years. This was decreased to 5 percent for 1942, with indications that next year it will have a penalty of 5 or 10 percent.

Honor New Orleans Fire Chief

John M. Evans, chief of the New Orleans fire department, was honored at a banquet celebrating his 50th anniversary as a member of the department. The testimonial was sponsored by business men of New Orleans with Maurice J. Hartson, Jr., president of the New Orleans Insurance Exchange, as committee chairman and toastmaster at the banquet. Leonard M. Wise, president of the Louisiana Association of Insurance Agents, was a speaker.

Waco Agency in New Office

The Fort agency of Waco, Tex., has moved its offices to 518 Franklin ave., about one block from where the firm has been for over 60 years. It is occupying the quarters recently vacated by the Pioneer Building & Loan Association, and this is one of the finest offices for insurance in the southwest.

Okla. Executive Committee Meets

A meeting of the executive committee of the Oklahoma Association of Insurance Agents is scheduled for Oct. 16 in Oklahoma City.

NEWS BRIEFS

About 60 members and guests attended a meeting of the Oklahoma City

Insurance Women's Club for a fire prevention program of a committee headed by Mary Nelson, with facts and methods of preventing such disasters brought by various members of the club.

Hugh T. Gardner, local agent at Owensboro, Ky., has become United States commissioner here.

Hurley, Wright & Powell, local agents of Knoxville, Tenn., have been given an agency for John Hancock Mutual Life.

George Oldham, local agent, has been appointed to head the Johnson City (Tenn.) Community Chest campaign.

W. B. Parks, Cleveland, Tenn., local agent, was elected lieutenant-governor of seventh division of Kiwanis at the

district convention in Knoxville.

Ben Lyon, local agent of Edmond, Okla., has entered war work. His agency will continue to operate under management of Miss Nellie C. Broad.

A. V. Hendrick of Abernathy & Hendrick, Hollis, Okla., has sold his interest to his partner, C. L. Abernathy.

John Montgomery, Okemah, Okla., has sold his agency to the Okemah Insurance Agency, operated by John L. McKinney.

The C. R. Lawyer agency, Henryetta, Okla., has been sold to Smith & Lucas.

The E. J. Burrett agency, Leedey, Okla., was sold to the Leedey Real Estate & Insurance Agency operated by F. R. Gale and H. S. Glibert.

The I. B. Lane agency of San Antonio, Tex., has been bought by Ralph Hammond, who will consolidate it with his agency.

to an opinion of the attorney-general. Roy Mills, secretary of the state board of control, requested the opinion because of the recent depletion of the restoration fund by three large flax shed fires at the state penitentiary. The commission has previously insured its stock of liquor throughout the state outside the restoration fund.

To Report on National Parley

PORTLAND, ORE.—At the Oct. 21 meeting of the Portland Association of Insurance Agents delegates to the National association convention in Chicago will report. They are: H. C. Pownall, president; G. W. Haerle, national councillor state association; and Fred E. Jewett, local director.

Plan for Future, Warren Urges

SAN FRANCISCO—If free private enterprise is to be restored and main-

PACIFIC COAST AND MOUNTAIN

Plan Corporation at L. A. to Handle Business of Men Entering Service

A committee has been appointed by the governing committee of the Los Angeles Insurance Exchange to form a non-profit corporation to handle the business of agents entering service.

The "victory insurance agency committee" will study the feasibility of such a corporation and will report its findings. The committee members will act as a board of directors for the setup. The business of agencies in Los Angeles and the immediate adjacent territory would be taken over by the corporation.

The committee is composed of Harry Perk, Jr., Perk Bros., National association executive committeeman; Eugene Battles, A. R. Rowan & Co.; C. T. Manwaring, Callendar-Manwaring Co.; H. Everett Charlton, Seyler-Day Co.; Wm. H. Menn, of Menn & Co., and past National association president; H. W. McGee, Wren & Van Alen, and Vernon C. Bogey.

May Form Pool to Write Flax Risks; Dust Hazard Bad

PORTLAND, ORE.—Formation of a pool to write flax risks is seriously contemplated following severe losses in the Willamette valley. Companies have been cancelling cover on flax risks, with few, if any, companies willing to accept the coverage at present rates in face of several sizeable losses during the summer months.

The flax industry is an important one, since much of its output goes into the manufacture of linen parachute rigging, and this factor may further stimulate the move to complete an arrangement for furnishing the needed protection to the processing plants. The process involved is somewhat inherently hazardous, but the nature of the product, which closely resembles straw or hay, and the fact that it is stored in sheds, sometimes

without walls or with one or more sides open, and piled tightly to the roof of the shed, constitutes the most severe hazard to stock.

Severe dust hazards are involved in pulverizing the shell of the plant and in deseeding, although the latter hazard is easier to control. Because the industry is comparatively new, not only to this section, but generally throughout the country, its size and importance have heretofore not encouraged development of larger processing plants, but because of its present war-time importance the government has stimulated and assisted in establishing a number of the factories, and the post-war possibilities of the industry seem promising. Development of special fire control and prevention facilities to suit the needs of these plants is being considered.

Would Abolish Mont. Commission

HELENA, MONT.—The state insurance commission will be among the 20 state agencies that Governor Ford of Montana will ask the 1943 legislature to abolish as an economy measure.

According to the plan the functions of the insurance commission would be entrusted to the state board of examiners. The commission was created by the 1939 legislature as a means of tightening up on the awarding of state insurance contracts.

Parker Is Spokane Speaker

SPOKANE, WASH.—The Spokane Insurance Association heard a talk on transportation insurance problems in wartime by Whitmore Parker, special agent of Automobile. He pointed out opportunities for writing transportation coverages by using a broad form of contract.

Can Place Additional Cover

PORTLAND, ORE.—The Oregon Liquor Control Commission has the right to place insurance on its buildings in Portland, in addition to that afforded by the state restoration fund, according

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tained in the United States after the war is over, the citizens of the country must start thinking about future plans now, Attorney-general Earl Warren of California, Republican candidate for governor, told the members of San Francisco Blue Goose and several hundred other insurance men and women at a special luncheon. He was presented by Elmer W. Bonstin of Eby & Co., who told of his long cooperation with the business.

Bar Courts to Hail Fund Insured

HELENA, MONT.—The Montana supreme court held that farmers with crops insured under the Montana board of hail insurance have no recourse to the courts to obtain adjustment of a loss. Such a claim, the court said, must be submitted to a board of arbitration appointed by the hail board. The ruling reversed a decision of the Big Horn county district court.

Breckon in Salt Lake City

SALT LAKE CITY—J. T. Breckon, assistant director of the Business Development Office, San Francisco, addressed a special meeting of field men and local agents, explaining the program sponsored by his office to acquaint the insuring public more widely with the importance of war damage insurance.

NEWS BRIEFS

Mrs. Gertrude C. Smith of the Los Angeles office of the California department was married at Las Vegas, Nev., to A. R. Haudh. She was given a traveling case by her office friends.

A. J. Stahmer, Jr., has been appointed manager of the newly-expanded insurance department of Norman S. Ratray, suburban real estate and insurance firm of Seattle.

L. B. Macnab, Portland, Ore., agent, is now associated with the Lewis & Cartwright agency, Lewis building, although he will continue his business under his own name.

CANADIAN

Parry, McNairn, Stailing and Dodge on Ontario Card

TORONTO—The program for the annual convention here Oct. 22-23 of the Ontario Fire & Casualty Insurance Agents Association has been completed by Charles Priestman, secretary-treasurer.

"The Premium Dollar and Its Production" will be discussed by F. J. Perry, vice-president American Surety, the luncheon speaker on Oct. 22. Insurance Superintendent McNairn of Ontario will speak on "Administration of Agents' Licensing Laws Under Present Conditions"; C. W. Caskey, Ontario deputy fire marshal, "Fire Prevention Activities," and R. L. Stailing, Sun, will discuss the registration form of the Canadian Underwriters Association.

At the Friday luncheon Albert Dodge, Buffalo, executive committeeman, New York State Association of Local Agents, will talk on "As One Agent to Another."

Coo with Hartford

B. W. Ballard, Canadian manager Hartford Fire group, announces the appointment of H. Douglas Coo, who has been associated with the Canadian Underwriters Association for a number of years, as assistant manager.

Upholds Provincial Jurisdiction

TORONTO—The supreme court of Canada has decided that the dominion government hasn't the right to tax premiums written by non-Canadian companies not licensed by the dominion department of insurance as provided in the war revenue act which imposed a 10 percent tax on such premiums.

Interpretation of the act was that the

tax applied only to non-Canadian companies writing business in Canada under provincial license only. The provinces opposed this, stating it was an invasion of provincial jurisdiction. The amount in taxes at stake in this hearing was small.

Warning on Oil Lamps

TORONTO—The Canadian Underwriters Association has issued a warning that the use of kerosene and gasoline lamps in store windows, inaugurated in Canada since the dim-out regulations went into effect, "may constitute a change material to the risk and if insurance is carried may possibly vitiate the policy." The store owner or tenant may possibly face "suit for damage if adjoining property is involved in a fire started on the premises on which the lamps are used through negligence," it is pointed out.

MOTOR

Read Seeks Rate Cut in Okla. on All Auto Lines

Commissioner Read of Oklahoma is not only seeking to put into effect a 50 percent reduction on automobile liability rates in his state but he also desires a similar reduction for all automobile premiums—property damage, fire, theft and collision. Several prominent insurance attorneys question the right of the state insurance board to fix automobile insurance rates at all and if it does have that power, it is contended that it may act only after they have received a proper showing of experience. They claim that the board's jurisdiction is limited to fire, tornado, plate glass and compensation.

Increasing Auto Sales Today

As a sales proposition, the case of an agent is cited where he has kept his automobile business up to par in spite of the tremendous loss due to government restrictions. He went to the court house and recorded every mortgaged car in the county files and then solicited automobile insurance on expiration of the mortgage. This coincides usually with the expiration of the insurance. The commissions on new business the first month were over \$600.

Revise Mo. Brokers' Blanks

JEFFERSON CITY—The Missouri department has prepared a new form of application for brokers license, including a number of important changes.

The department has ruled that all men and women brokering insurance who have been enrolled in the armed forces must have their brokers licenses re-

newed if their business is carried on in their names.

Missing Vessels Pact Perfected

Perfection of the so-called missing vessels agreement between the War Shipping Administration and American Institute of Marine Underwriters has been accomplished.

The agreement establishes a basis for advancing temporary compensation on hull and cargo insurance claims where, by reason of the disappearance of a vessel, it is impossible to determine whether the ship was an ordinary marine casualty to be handled through ordinary channels or a war risk case.

In making preliminary decisions the probability of loss as due to enemy action where the insured voyage lay through waters in or near which other vessels "have been subjected to enemy attack or damaged by mines or other instruments of war at or near the estimated time of the loss," is the rule.

In such cases, unless there is affirmative evidence of the existence of some marine peril which might have explained the loss of the ship, the underwriters are not called upon to advance any temporary payment.

Tennessee Agents Now in Session

NASHVILLE—That the "disabled agency rule" in the constitution and by-laws of local associations "be interpreted as applying to agencies that have been disabled by patriotic calls to the uniform services of our country" was the plea of Commissioner McCormack speaking at the opening session of the annual meeting of the Tennessee Association of Insurance Agents. A hearty reception was given to David A. North, New Haven, new National association president.

Speaking to the subject, "Agents Licensing in Wartime," Commissioner McCormack said in part:

"Some proponents of federal control think that the passing of a federal act would correct all of the imperfections of the insurance business. I do not need to point out that federal control has not perfected or improved other items of commerce that it has attempted to control."

Expressing disagreement at many points with an article by Herbert Corson of Davis, Corson & Bradford, Nashville, Mr. McCormack declared:

"I disagree with Mr. Corson in his prediction that 'only a few of the best agents' will be able to survive. I think any honest agent who has a general knowledge of the insurance business,

who will work eight hours a day and make 10 or 15 calls a day, will survive regardless of any errors by the companies, the agents or lack of proper thinking on the part of the public."

High Court Grants Review in Hoopeston Canning Case

A review of a decision dismissing the attack of a group of New York grocers and canners on the constitutionality of a New York law which is interpreted to subject the Warner reciprocals of Chicago to compliance with the tax and agency laws of New York has been granted by the U. S. Supreme Court. This group contends that their system of interinsurance places them beyond the reaches of the New York insurance laws. This is known as the Hoopeston Canning case.

To Review Pendergast Case

The U. S. Supreme Court has agreed to review the convictions of Thomas J. Pendergast, R. E. O'Malley, former Missouri insurance superintendent, and A. L. McCormack, St. Louis agent, on charges of criminal contempt of court in connection with the Missouri fire rate case settlement. Pendergast and O'Malley were sentenced by a federal district court to two years imprisonment and McCormack was given a probation for two years on the charges.

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MARINE

WSA Has Master List of Rates

The wartime insurance division of the War Shipping Administration has now published a single master list of cargo war risk rates. This takes the place of the schedules that have been issued between April 13 and Sept. 11. For the most part it is a compilation and clarification of previous bulletins but there are some changes, among them being inclusion for the first time of an import war risk rate on cargoes from Vladivostok to United States Pacific ports. The rate is 15 percent which is much lower than some cargo war risk insurance issued on voyages to and from ports in the Indian Ocean west of Calcutta during the past summer.

In the new list cargoes from beyond Seward, including United States controlled islands within the Alaskan area, takes a rate of 12½ percent, and cargo of Swiss origin only via Genoa direct by Swiss flag only warranted sailing with permission of Germany, Italy and Great Britain takes a rate of 15 percent.

Prices of Fine Stones Are Up, Jeweler Reports

Prices of fine stones in the jewelry field have increased and will increase more, William Costigane of the Holland & Costigane jewelry firm, Chicago, said at the meeting of the Mariners, organization of Chicago marine underwriters. He suggested that marine men might increase their business by having a re-appraisal made of jewelry where assured owns any considerable amount.

Rubies have advanced considerably, sapphires are about the same, emeralds because of their scarcity are up, and diamonds of fine quality have increased as much as 100 percent. Large, fine diamonds are being purchased for investment.

Most of the business volume now being done by jewelers is on smaller items, such as diamond rings at \$100 to \$150, which are seldom insured, he said. There has been some increase in price due to the government curtailment of jewelry manufacture where copper, silver, or iridium platinum is used.

The Mariners will hold a charter members meeting Nov. 3, at which there will be no speakers. A. E. Barthelmes, marine secretary of North British, New York, was a guest. T. A. Strahle, North America, presided.

Now Is Good Time to Ask for School Band Business

The opening of the fall school term is an excellent time for agents to solicit inland marine coverage on a group basis on musical instruments, uniforms and band paraphernalia used by school groups. Some of the companies writing the business now are making a drive with agents. The instruments are written on a group plan at a reduced premium, which carries a strong appeal to the parents who buy the coverage.

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Otherwise the regular rate would have to be charged. The experience of the companies on this business has been good, and the market is large, since almost all high schools and colleges have bands or orchestras. The field is particularly lively in the midwest.

Wage Control in Insurance Eyed

(CONTINUED FROM PAGE 1)

Section 6 further stipulates that "no decrease shall be made in salary for any particular work below the highest salary paid therefor between Jan. 1, 1942, and Sept. 15, 1942 unless to correct gross inequities and to aid in the effective prosecution of the war."

It is possible that no increase in commission would be permitted a person whose earnings now are above \$5,000.

Ceiling of \$25,000

It has been suggested in the insurance business itself that a practice followed generally in the industry of increasing the salary of an employee at regular intervals as he acquires greater experience and gradually takes on more responsibility might be recognized as a legitimate practice under the economic control setup, even though the employee's salary is more than \$5,000. With the big demand for field men, engineering talent, and the like, a company might find it difficult to hold key employees unless it could offer reasonable and customary increases in salary.

Salaries Over \$25,000

The President's desire to put a ceiling of \$25,000 on all salaries is reflected in section 7 of title II which authorizes the director to take the necessary action and to issue the appropriate regulations, "so that insofar as practicable, no salary shall be authorized . . . to the extent that it exceeds \$25,000 after the payment of taxes allocable to the sum in excess of \$25,000. Provided, however, that such regulations shall make due allowance for the payment of life insurance premiums on policies heretofore issued, required payments on fixed obligations heretofore incurred, and shall make provision to prevent undue hardship."

The "teeth" for regulating salaries above \$25,000 are contained in title III, section 4 of the order, which provides that any salary not authorized by the director "shall be disregarded by the executive departments and other governmental agencies in determining costs or expenses of any employer for the purpose of any law or regulation . . . or for the purpose of calculating deductions under the revenue laws of the United States . . ."

Regulations with respect to salaries over \$25,000 are expected to be issued first, and will deal with such problems as the method of determining allowable salary in case of a person working for more than one company.

While the method of control is disallowance of deductions in federal tax returns for payments that would make the salary exceed \$25,000, there is the question of control of persons earning more than that in commissions.

The order covers all forms of remuneration. Title VI, section 2, states that salaries and wages controlled by the order "shall include all forms of direct or indirect remuneration to any employee or officer for work or personal services performed for an employer or corporation, including but not limited to bonuses, additional compensation, gifts, commissions, fees, and any other remuneration in any form or medium whatsoever (excluding insurance and pension benefits in a reasonable amount as determined by the director); but for the purpose of determining wages or salaries for any period to Sept. 16, 1942 such additional compensation shall be taken into account only in cases where it has been customarily paid by employers to their employees."

The exclusion of insurance and pension benefits is of interest because of

group life insurance, accident and health and hospitalization, or pension trusts now in effect or that may be sold in the future. The "reasonable amount" provision gives the director considerable discretionary power.

Terms Extremely Broad

It is apparent that if necessary the office of economic director might extend control beyond the limits specified since the terms expressing the general objective of the order are extremely broad. They provide that the director with the approval of the President shall formulate and develop a comprehensive national economic policy relating to the control of civilian purchasing power, prices, rents, wages, salaries, profits, rationing, subsidies, and all related matters, all for the purpose of preventing avoidable increases in the cost of living, cooperating in the minimizing of the unnecessary migration of labor from one business to another, and facilitating the prosecution of the war. The director and all departments and agencies of the government are authorized to develop any legislative program that will be necessary to accomplish this purpose.

Statement of the Ownership, Management, Circulation, etc., Required by the Acts of Congress of August 24, 1912, and March 3, 1933.

Of The National Underwriter, published weekly, with one additional issue in April, at Chicago, Ill., for October 1, 1942: State of Illinois, } ss: County of Cook, }

Before me, a notary public, in and for the state and county aforesaid, personally appeared Howard J. Burridge, who, having been duly sworn according to law, deposes and says that he is the secretary of The National Underwriter Co., publishers of The National Underwriter, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, as amended by the Act of March 3, 1933, embodied in section 537, Postal Laws and Regulations, printed on the reverse of this form to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are:

Publisher, The National Underwriter Co., Chicago, Ill.
Editor, C. M. Cartwright, Evanston, Ill.
Managing Editor, Levering Cartwright, Evanston, Ill.
Business Manager, H. J. Burridge, Hinsdale, Ill.

2. That the owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding one percent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a firm, company, or other unincorporated concern, its name and address as well as those of each individual member, must be given.)

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Stella Goss Wohlgenuth, Elizabeth W. Herschede and John F. Wohlgenuth, C. M. Cartwright, Evanston, Ill.
H. J. Burridge, Hinsdale, Ill.
G. W. Wadsworth, Highland Park, Ill.
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3. That the known bondholders, mortgagees, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages or other securities are: (If there are none, so state.)

None.
4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company, but also, in cases where the stockholders or security holders appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner, and this other person, association, or corporation has any interest direct or indirect in the said stock, bonds or other securities than as so stated by him.

5. That the average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the six months preceding the date shown above is (This information is required from daily publications only.)

The National Underwriter Co., publisher, by Howard J. Burridge, secretary.

Sworn to and subscribed before me this 28th day of September, 1942.

J. C. O'Connor, Jr.,
(Seal) Notary Public.
(My commission expires July 27, 1946.)



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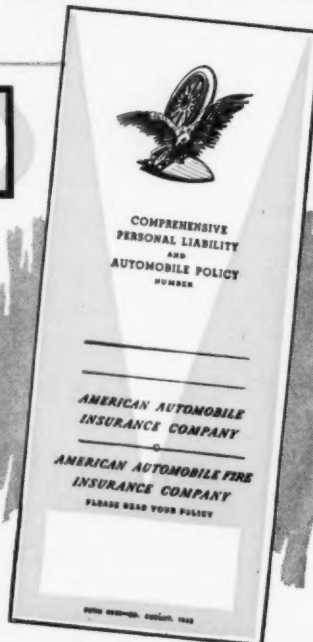
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